भारतीय स्टेट बैंक
State Bank of India
हर भारतीय का बैंक
THE BANKER TO EVERY INDIAN

भारत की आकांक्षाओं को नई उड़ान देते हुए

Giving Wings to Aspirational India

वार्षिक रिपोर्ट
ANNUAL REPORT
2013-14

CONTENTS

NOTICE

STATE BANK OF INDIA

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

The 59th Annual General Meeting of shareholders of State Bank of India will be held at the "Y. B. Chavan Auditorium", Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai - 400021 (Maharashtra) on Thursday, the 3rd July, 2014 at 03.00 P.M. for transacting the following business:-

''to receive, discuss and adopt the Balance Sheet and the Profit and Loss Account of the State Bank made upto the 31st day of March 2014, the report of the Central Board on the working and activities of the State Bank for the period covered by the Accounts and the Auditor's Report on the Balance Sheet and Accounts''.

Corporate Centre,
State Bank Bhavan,
Madame Cama Road,
Mumbai – 400 021

A. Bhattacharya
(ARUNDHATI BHATTACHARYA)
CHAIRMAN

Date: 19th May, 2014

Important Information

Dividend Declared	**₹30.00 per share**
Interim Dividend	**₹15.00 per share**
Payment Date	**02.04.2014**
Final payment of Dividend	**₹15 per share**
Payment date	**19.06.2014**
Period of Book Closure	**31.05.2014 to 04.06.2014**
Record Date	**30.05.2014**

Giving wings to an Aspirational India

India is a country defined by soaring aspirations, especially of the post-Independence generation. These aspirations are propelling India forward. We are already the world's 3rd largest economy in purchasing power parity (PPP) terms. India's unparalleled demographic dividend augurs well for the future too, with growth and a better life being at the heart of all we do as a nation.

The sheer size of India – 1.25 billion people, with half of them below 25 years of age – coupled with the diversity of its populace and plurality of cultural moorings, makes realising these aspirations a daunting task.

State Bank of India (SBI)'s relationship with India and its growth is umbilical. Which is why, as a new, aspirational India emerges, backed by a strengthening economy, more opportunities and increasing penetration of financial services, SBI is at the forefront of this transformation.

SBI makes a profound contribution in driving all sectors of the Indian economy – primary, secondary and tertiary, in equal measure. It is one of India's most familiar institutions of trust stretching from the remotest villages to the global financial hubs.

And we are constantly re-engineering ourselves and our role to keep step with the changing dynamics of the needs of our customers and our operating environment. We have recognised technology-driven, on-the-go banking as the new normal. We are leveraging customer-connect platforms on social media to further our reach. We are expanding our physical branch and network presence, and constantly evolving our products and services portfolio to remain a preferred contemporary choice in banking.

At the same time, our commitment to financial inclusion continues unabated, in line with the national agenda of inclusive growth. We focus on helping translate national aspirations into on-ground realities, and ensuring value creation for all and ensuring a better quality of life for large parts of our yet unbanked population.

What started off with a few hundred branches and a few hundred crores of business, is today a Bank that has surpassed ₹26 trillion in business size. SBI has over 100,000 touch points (branches, ATMs, CSPs) that directly serve our customers everywhere. But this is not just the story of a commercial Bank. It is the story of how an aspirational India has embraced growth over the years, and how it continues to look ahead with confidence. SBI is a proxy for the aspirational nation of India. And we are proud of our ability to give wings to those aspirations.

THEN As on 01.07.1955 (Formation of SBI)		NOW As on 31.03.2014
477	Number of branches	15,869
8	Foreign Offices	190
14,388	Employee Strength	2,22,033
₹327 crores	Total Business	₹26,39,531 crores
₹1 crore	Net Profit	₹10,891 crores

SBI'S JOURNEY THROUGH NUMBERS

No. 1	Largest Bank in India (Deposits, Advances, Profits, Branches, Employees)
21.92 crores+	Active customer base
26 lakhs crores+	Business size
1 lakh+	Touch points
43,515	Pan-India ATMs (26% of market share in ATM population in India)
45,487	Business correspondent and Customer Service Points
5.63 crores+	Core Banking Transactions (daily average transactions)
70 lakhs+	ATM transactions per day (38% of the country's total ATM transactions)
17 crores+	State Bank Group debit card holders (43%+ market share)
1.77 crore+	Internet banking users
95 lakhs	Mobile Banking users
1,35,853	POS machines
48 lakhs+	Green Remit Cards
52,260	Pan-India village coverage
61.60 lakhs	Kisan Credit Cards

SBI – DRIVING ASPIRATIONAL INDIA

Founded in 1806, Bank of Calcutta was the first Bank established in India and over a period of time evolved into SBI. SBI represents a sterling legacy of over 200 years. It is the oldest commercial Bank in the Indian subcontinent, strengthening the nation's trillion-dollar economy and serving the aspirations of its vast population.

The Bank is India's largest commercial Bank in terms of assets, deposits, profits, branches, number of customers and employees, enjoying the continuing faith of millions of customers across the social spectrum.

VISION

- My SBI.
- My Customer first.
- My SBI: First in customer satisfaction.

MISSION

- We will be prompt, polite and proactive with our customers.
- We will speak the language of young India.
- We will create products and services that help our customers achieve their goals.
- We will go beyond the call of duty to make our customers feel valued.
- We will be of service even in the remotest part of our country.
- We will offer excellence in services to those abroad as much as we do to those in India.
- We will imbibe state-of-the-art technology to drive excellence.

VALUES

- We will always be honest, transparent and ethical.
- We will respect our customers and fellow associates.
- We will be knowledge driven.
- We will learn and we will share our learning.
- We will never take the easy way out.
- We will do everything we can to contribute to the community we work in.
- We will nurture pride in India.

SBI GROUP STRUCTURE

SBI FAMILY TREE

SBI

Domestic Banking Subsidiaries

Ownership figures in %

- 75.07 ▸ State Bank of Bikaner & Jaipur
- 100 ▸ State Bank of Hyderabad
- 90.00 ▸ State Bank of Mysore
- 100 ▸ State Bank of Patiala
- 78.90 ▸ State Bank of Travancore

Non Banking Subsidiaries

Ownership figures in %

- 100 ▸ SBI Capital Markets Ltd.
  - SBICAP Securities Ltd.
  - SBICAP Ventures Ltd.
  - SBICAP (UK) Ltd.
  - SBICAP Trustees Co. Ltd.
  - SBICAP (Singapore Ltd.)
- 63.78 ▸ SBI DFHI Ltd.
- 100 ▸ SBI Payment Services Pvt. Ltd.
- 100 ▸ SBI Mutual Fund Trustee Company Pvt Ltd.
- 86.18 ▸ SBI Global Factors Ltd.
- 60 ▸ SBI Pension Funds Pvt. Ltd.
- 63 ▸ SBI Funds Management Pvt. Ltd.
  - SBI Funds Mgt. (International) Pvt. Ltd.
- 60 ▸ SBI Cards & Payment Services Pvt. Ltd.
- 74 ▸ SBI Life Insurance Company Ltd.
- 65 ▸ SBI-SG Global Securities Services Pvt. Ltd.
- 74 ▸ SBI General Insurance Company Ltd.

Joint Ventures

Ownership figures in %

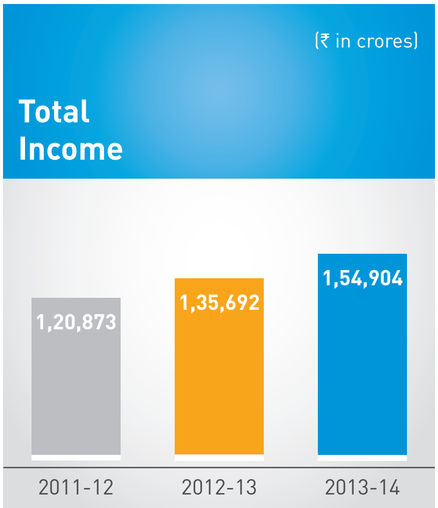
- 49 ▸ C-Edge Technologies Ltd.
- 40 ▸ GE Capital Business Process Mgt. Services Pvt. Ltd.
- 45 ▸ Macquarie SBI Infrastructure Mgt. Pte. Ltd.
  - Macquarie SBI Infrastructure Trustee Ltd.
- 45 ▸ SBI Macquarie Infrastructure Mgt. Pvt. Ltd.
- 45 ▸ SBI Macquarie Infrastructure Trustee Pvt. Ltd.
- 50 ▸ Oman India Joint Investment Fund-Mgt. Co Pvt. Ltd.
- 50 ▸ Oman India Joint Investment Fund-Trustee Co Pvt. Ltd.

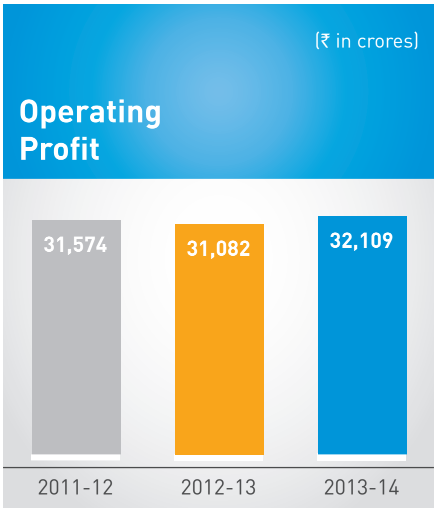
Foreign Banking Subsidiaries

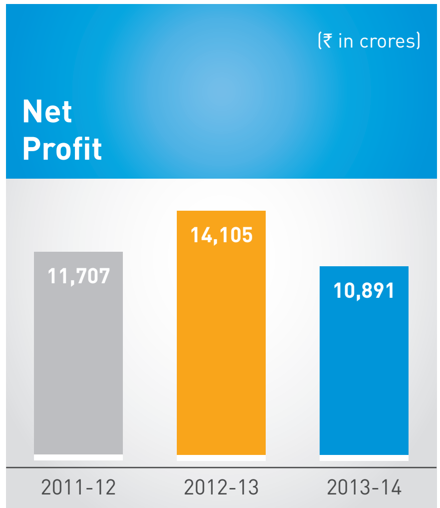
Ownership figures in %

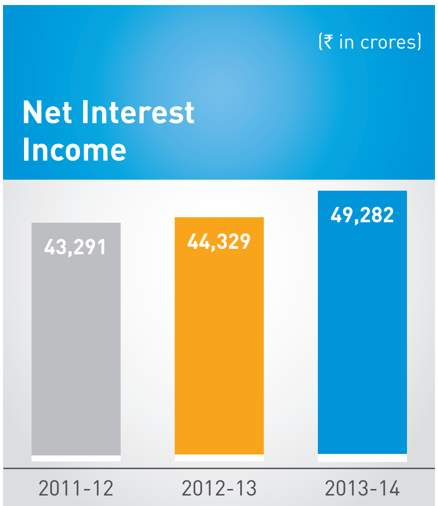
- 100 ▸ State Bank of India (California)
- 100 ▸ State Bank of India (Canada)
- 60 ▸ Commercial Indo Bank LLC, Moscow
- 96.36 ▸ SBI (Mauritius) Ltd.
- 99.00 ▸ Bank SBI Indonesia
- 55.28 ▸ Nepal SBI Bank Ltd.
- 100 ▸ State Bank of India (Botswana) Ltd.

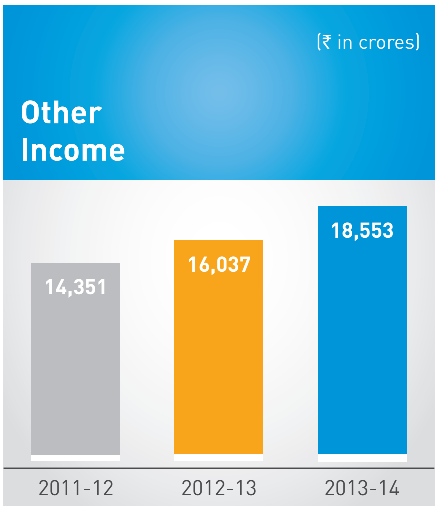
PERFORMANCE INDICATORS

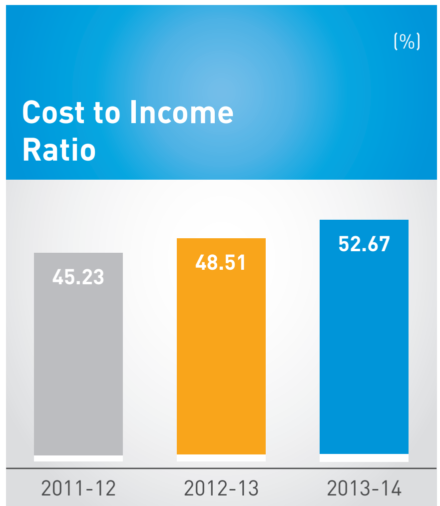


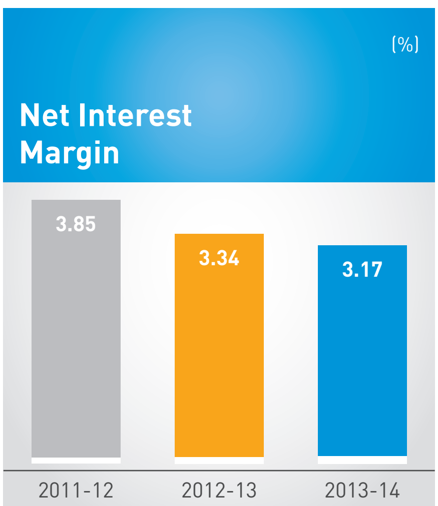


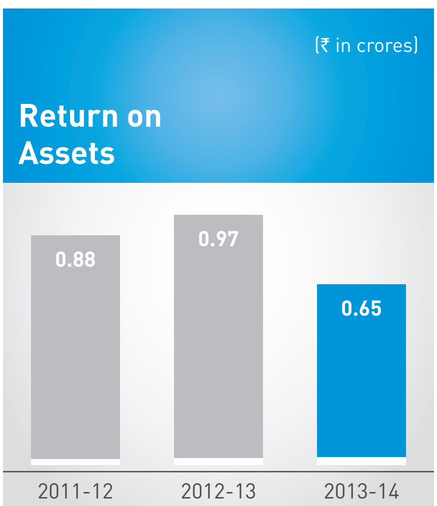


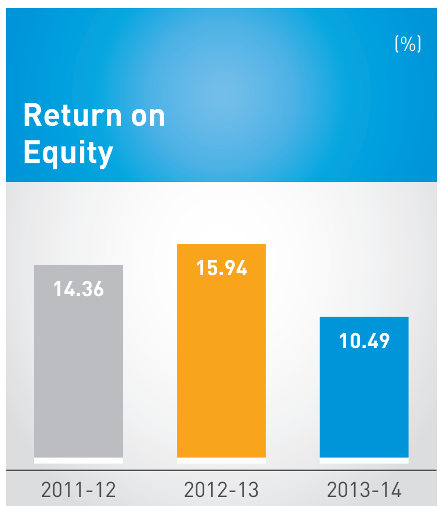






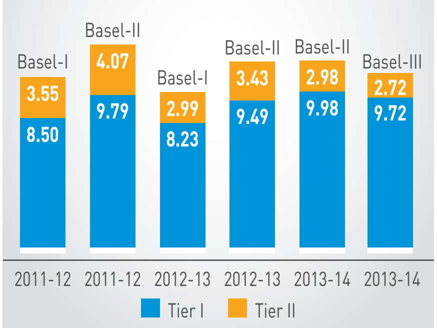






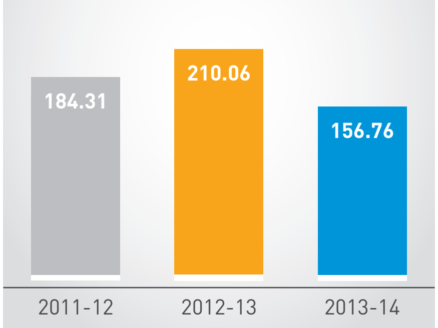
Capital Adequacy Ratio

(%)



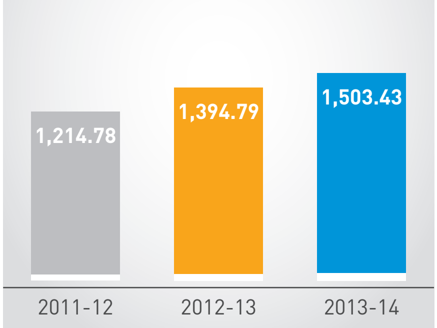
Earning per Share

(₹)



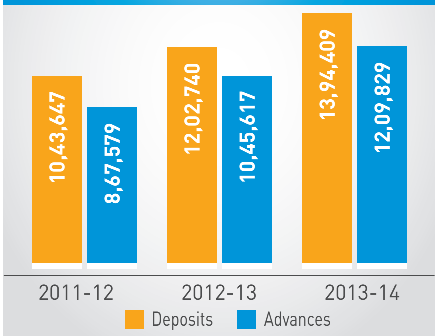
Book Value per Share

(₹)



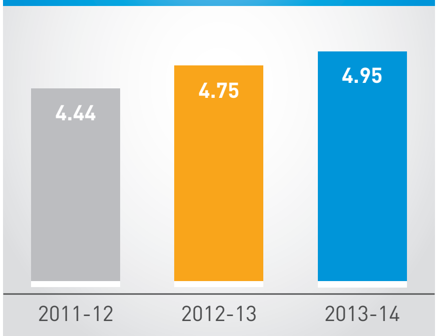
Deposits and Advances

(₹ in crores)



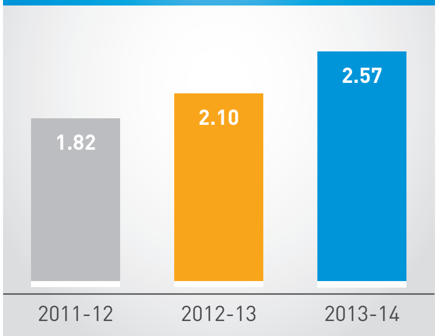
Gross NPA Ratio

(%)



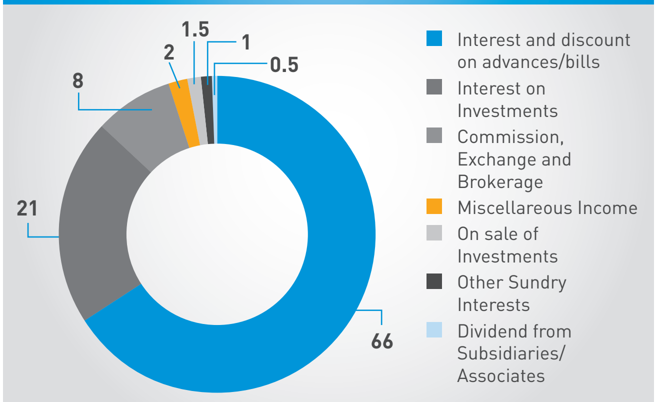
Net NPA Ratio

(%)



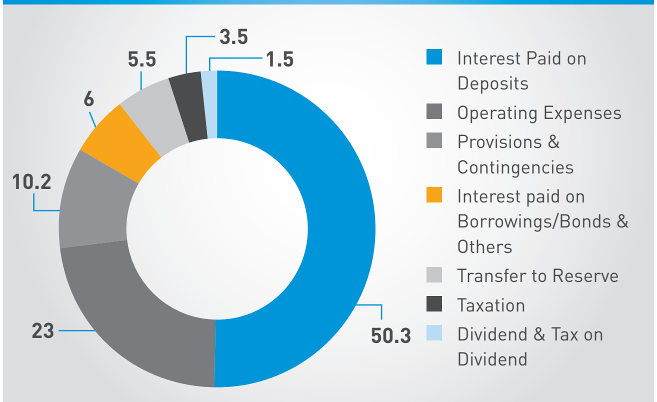
Earnings in FY 2013-14

(%)



Expenditure in FY 2013-14

(%)



FINANCIAL HIGHLIGHTS FOR THE LAST 10 YEARS

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Liabilities										
Capital (₹ in crores)	526	526	526	631	635	635	635	671	684	747
Reserves & Surplus (₹ in crores)	23,546	27,118	30,772	48,401	57,313	65,314	64,351	83,280	98,200	1,17,536
Deposits (₹ in crores)	3,67,048	3,80,046	4,35,521	5,37,404	7,42,073	8,04,116	9,33,933	10,43,647	12,02,740	13,94,409
Borrowings (₹ in crores)	19,184	30,642	39,704	51,728	53,713	1,03,012	1,19,569	1,27,006	1,69,183	1,83,131
Others (₹ in crores)	49,579	55,538	60,042	83,362	1,10,698	80,337	1,05,248	80,915	95,404	96,412
Total (₹ in crores)	**4,59,883**	**4,93,870**	**5,66,565**	**7,21,526**	**9,64,432**	**10,53,414**	**12,23,736**	**13,35,519**	**15,66,211**	**17,92,235**
Assets										
Investments (₹ in crores)	1,97,098	1,62,534	1,49,149	1,89,501	2,75,954	2,85,790	2,95,601	3,12,198	3,50,878	3,98,308
Advances (₹ in crores)	2,02,374	2,61,642	3,37,337	4,16,768	5,42,503	6,31,914	7,56,719	8,67,579	10,45,617	12,09,829
Other Assets (₹ in crores)	60,411	69,694	80,079	1,15,257	1,45,975	1,35,710	1,71,416	1,55,742	1,69,716	1,84,098
Total (₹ in crores)	**4,59,883**	**4,93,870**	**5,66,565**	**7,21,526**	**9,64,432**	**10,53,414**	**12,23,736**	**13,35,519**	**15,66,211**	**17,92,235**
Net Interest income (₹ in crores)	13,945	15,589	15,058	17,021	20,873	23,671	32,526	43,291	44,329	49,282
Provisions for NPA (₹ in crores)	1,204	148	1,429	2,001	2,475	5,148	8,792	11,546	11,368	14,224
Operating Result (₹ in crores)	10,990	11,299	10,000	13,108	17,915	18,321	25,336	31,574	31,082	32,109
Net Profit Before Taxes (₹ in crores)	6,522	6,906	7,625	10,439	14,181	13,926	14,954	18,483	19,951	16,174
Net Profit (₹ in crores)	4,305	4,407	4,541	6,729	9,121	9,166	8,265	11,707	14,105	10,891
Return on Average Assets (%)	0.99	0.89	0.84	1.01	1.04	0.88	0.71	0.88	0.97	0.65
Return on equity (%)	18.10	15.47	14.24	17.82	15.07	14.04	12.84	14.36	15.94	10.49
Expenses to Income (%) (Operating expenses to total Net Income)	47.83	58.70	54.18	49.03	46.62	52.59	47.60	45.23	48.51	52.67
Profit Per employee (₹ in 000)	207	217	237	373	474	446	385	531	645	485
Earnings Per Share (₹)	81.79	83.73	86.10	126.62	143.77	144.37	130.16	184.31	210.06	156.76
Dividend Per Share (₹)	12.50	14.00	14.00	21.50	29.00	30.00	30.00	35.00	41.50	30.00
SBI Share (Price on NSE) (₹)	654.80	968.50	994.45	1,600.25	1,067.10	2,078.20	2,765.30	2,096.35	2,072.75	1,917.70
Dividend Pay out Ratio % (₹)	15.28	16.72	16.22	20.18	20.19	20.78	23.05	20.06	20.12	20.56
Capital Adequacy Ratio (%)										
(₹ in crores)					85,393	90,975	98,530	1,16,325	1,29,362	1,45,845
Basel-II (%)	N.A	N.A	N.A	N.A	14.25	13.39	11.98	13.86	12.92	12.96
(₹ in crores)					56,257	64,177	63,901	82,125	94,947	1,12,333
Tier I (%)	N.A	N.A	N.A	N.A	9.38	9.45	7.77	9.79	9.49	9.98
(₹ in crores)					29,136	26,798	34,629	34,200	34,415	33,512
Tier II (%)	N.A	N.A	N.A	N.A	4.87	3.94	4.21	4.07	3.43	2.98
(₹ in crores)										1,40,151
Basel-III (%)	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	12.44
(₹ in crores)										1,09,547
Tier I (%)	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	9.72
(₹ in crores)										30,604
Tier II (%)	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	2.72
Net NPA to Net Advances (%)	2.65	1.88	1.56	1.78	1.79	1.72	1.63	1.82	2.10	2.57
Number of Domestic Branches	9,102	9,177	9,231	10,186	11,448	12,496	13,542	14,097	14,816	15,869
Number of Foreign Branches/ offices	54	70	83	84	92	142	156	173	186	190

RATINGS

Instrument	RATINGS as on 31.03.2014	RATING AGENCY
Bank Rating	Baa3/P3/Stable/D+	Moody's
	BBB-/ A3/Negative	S & P
	BBB-/ F3/ Stable	Fitch
Instrument Rating Innovative Perpetual Debt Instruments	'AAA/Stable'	CRISIL
	'CARE AAA'	CARE
Upper Tier II Subordinated Debt	'AAA/Stable'	CRISIL
	'CARE AAA'	CARE
Lower Tier II Subordinated Debt	'AAA/Stable'	CRISIL
	'CARE AAA'	CARE
	AAA(Stable)	ICRA
Basel III Tier 2	AAA/Stable'	CRISIL
	'CARE AAA'	CARE
	AAA(Stable)	ICRA

CARE: Credit Analysis & Research Limited

ICRA: ICRA Ltd.

CRISIL: CRISIL Ltd.

S&P: Standard & Poor

CENTRAL BOARD OF DIRECTORS

(As on 23.05.2014)

Smt. Arundhati Bhattacharya
Chairman

Shri A. Krishna Kumar
Managing Director

Shri P. Pradeep Kumar
Managing Director

Shri S. Venkatachalam
Independent Director

Shri D. Sundaram
Independent Director

Shri Parthasarathy Iyengar
Independent Director

Shri Thomas Mathew
Independent Director

Shri Jyoti Bhushan Mohapatra
Workmen Employee Director

Shri S.K. Mukherjee
Officer Employee Director

Dr. Rajiv Kumar
Director Nominated by GOI

Shri Harichandra Bahadur Singh
Director Nominated by GOI

Shri Tribhuwan Nath Chaturvedi
Director Nominated by GOI

Shri Gurdial Singh Sandhu
Secretary, DFS
Director Nominated by GOI

Dr. Urjit R. Patel
DG, RBI
Director Nominated by GOI

CENTRAL BOARD OF DIRECTORS

(As on 23.05.2014)

Chairman

Smt. Arundhati Bhattacharya

Managing Directors

Shri A. Krishna Kumar
Shri P. Pradeep Kumar

Directors elected under Section 19(c) of SBI Act

Shri S. Venkatachalam
Shri D. Sundaram
Shri Parthasarathy Iyengar
Shri Thomas Mathew
Term: 3 years and eligible for re-election for further period of 3 years
Maximum tenure: 6 years continuously

Director under Section 19(ca) of SBI Act

Shri Jyoti Bhushan Mohapatra

Director under Section 19(cb) of SBI Act

Shri S.K. Mukherjee

Directors under Section 19(d) of SBI Act

Dr. Rajiv Kumar
Shri Harichandra Bahadur Singh
Shri Tribhuwan Nath Chaturvedi
Term: 3 years and eligible for re-appointment/ re-nomination, subject to a maximum tenure of 6 years

Director under Section 19(e) of SBI Act

Shri Gurdial Singh Sandhu

Director under Section 19(f) of SBI Act

Dr. Urjit R. Patel

COMMITTEES OF THE BOARD (AS ON 23rd May, 2014)

Executive Committee of the Central Board (ECCB)

Chairman

Smt. Arundhati Bhattacharya

Managing Directors

Shri A. Krishna Kumar and Shri P. Pradeep Kumar

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

Audit Committee of the Board (ACB)

Shri S.Venkatachalam, Director – Chairman of the Committee

Shri D. Sundaram, Director – Member

Shri Thomas Mathew, Director – Member

Dr. Rajiv Kumar, Director – Member

Shri Gurdial Singh Sandhu, GOI Nominee – Member

Dr. Urjit R. Patel, RBI Nominee – Member

Shri A. Krishna Kumar, MD&GE (IB) – Member (Ex-Officio)

Shri P. Pradeep Kumar, MD&GE (CB) – Member (Ex-Officio)

Risk Management Committee of the Board (RMCB)

Shri A. Krishna Kumar, MD&GE (IB) - Member (Ex-Officio) – Chairman of the Committee

Shri P. Pradeep Kumar, MD&GE (CB) – Member (Ex-Officio)

Shri S.Venkatachalam, Director – Member

Shri D. Sundaram, Director – Member

Shri Thomas Mathew, Director – Member

Dr. Rajiv Kumar, Director – Member

Shri Tribhuwan Nath Chaturvedi, Director – Member

Shareholders'/Investors' Grievance Committee of the Board (SIGCB)

Shri S. Venkatachalam, Director– Chairman of the Committee

Shri Thomas Mathew, Director – Member

Dr. Rajiv Kumar, Director - Member

Shri Harichandra Bahadur Singh, Director - Member

Shri A. Krishna Kumar, MD&GE (IB) - Member (Ex-Officio)

Shri P. Pradeep Kumar, MD&GE (CB) – Member (Ex-Officio)

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

Shri A. Krishna Kumar, MD&GE (IB) - Member (Ex-Officio) – Chairman of the Committee

Shri P. Pradeep Kumar, MD&GE (CB) – Member (Ex-Officio)

Shri S. Venkatachalam, Director – Member

Shri Parthasarathy Iyengar, Director – Member

Shri Thomas Mathew, Director – Member

Dr. Rajiv Kumar, Director – Member

Shri Harichandra Bahadur Singh, Director - Member

Customer Service Committee of the Board (CSCB)

Shri A. Krishna Kumar, MD&GE (IB) - Member (Ex-Officio) – Chairman of the Committee

Shri P. Pradeep Kumar, MD&GE (CB) – Member (Ex-Officio)

Shri S. Venkatachalam, Director – Member

Shri Thomas Mathew, Director – Member

Shri Harichandra Bahadur Singh, Director – Member

Shri Jyoti Bhushan Mohapatra, Director - Member

Shri S.K. Mukherjee, Director - Member

Shri Tribhuwan Nath Chaturvedi, Director – Member

IT Strategy Committee of the Board (ITSC)

Shri D. Sundaram, Director - Chairman of the Committee

Shri S. Venkatachalam, Director – Member

Shri Parthasarathy Iyengar, Director – Member

Shri A. Krishna Kumar, MD&GE (IB) - Member (Ex-Officio)

Shri P. Pradeep Kumar, MD&GE (CB) – Member (Ex-Officio)

Remuneration Committee of the Board (RCB)

Shri Gurdial Singh Sandhu, GOI Nominee – Member (Ex-Officio)

Dr. Urjit R. Patel, RBI Nominee – Member (Ex-Officio)

Shri S. Venkatachalam, Director – Member

Shri D. Sundaram, Director – Member

Board Committee to Monitor Recovery (BCMR)

Smt. Arundhati Bhattacharya - Chairman

Shri A. Krishna Kumar, MD&GE (IB) - Member

Shri P. Pradeep Kumar, MD&GE (CB) - Member

Shri Gurdial Singh Sandhu, GOI Nominee – Member (Ex-Officio)

Members of Local Boards, other than Managing Director & Group Executive (National Banking) - Nominated by Chairman in terms of Section 21(1)(a) of SBI Act,1955 (As on 23rd May 2014)

Ahmedabad
Shri A. N. Appaiah
Chief General Manager (Ex-Officio)

Bangalore
Shri Ashwini Mehra
Chief General Manager (Ex-Officio)

Bhopal
Shri Riten Ghose
Chief General Manager (Ex-Officio)
Shri Ramesh Warlyani
Shri G.P. Gupta
Shri Manohar Bothra
Shri Anil Garg

Bhubaneswar
Shri Krishna Mohan Trivedi
Chief General Manager (Ex-Officio)
Shri Sarat Chandra Bhadra

Chandigarh
Shri Lingaraj Mohapatra
Chief General Manager (Ex-Officio)
Shri Vinod Bihari Sharma
Smt. Ravinder Kaur
Shri Anil Arora

Chennai
Shri P.S. Prakasha Rao
Chief General Manager (Ex-Officio)
Shri T.R. Loganathan

Hyderabad
Shri C. R. Sasikumar
Chief General Manager (Ex-Officio)
Shri M.V. Ranganath

Kolkata
Shri Sunil Srivastava
Chief General Manager (Ex-Officio)

Lucknow
Shri Sudhir Dubey
Chief General Manager (Ex-Officio)
Shri Madan Mohan Shukla
Shri Harichandra Bahadur Singh*
Shri Munish Kumar Jain

Mumbai
Smt. Anshula Kant
Chief General Manager (Ex-Officio)
Shri S. Venkatachalam*
Shri D. Sundaram*
Shri Parthasarathy Iyengar*
Shri Thomas Mathew*
Shri S.M. Lodha

Delhi
Shri Arijit Basu
Chief General Manager (Ex-Officio)
Dr. Rajiv Kumar*
Shri T.N. Chaturvedi*
Shri Dinesh Kumar

North Eastern
Shri Sanjay Kumar Magoo
Chief General Manager (Ex-Officio)

Patna
Shri Subrat Sahu
Chief General Manager - Offg. (Ex-Officio)
Shri Tanvir Akhtar
Shri Sanjay Mandal

Kerala
Dr. M. Sreenatha Sastry
Chief General Manager (Ex-Officio)
Smt. Alphonsa John
Shri Sudhir Abraham
Shri Philip Mathew
Shri A. Gopalakrishnan

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

MEMBERS OF CENTRAL MANAGEMENT COMMITTEE (AS ON 23rd May, 2014)

Smt. Arundhati Bhattacharya, Chairman

Shri A. Krishna Kumar,
Managing Director & Group Executive
(International Banking)

Shri P. Pradeep Kumar,
Managing Director & Group Executive
(Corporate Banking)

Smt. Soundara Kumar,
Deputy Managing Director & Group Executive
(Stressed Assets Management)

Shri R.K. Saraf,
Deputy Managing Director & Chief Financial Officer

Shri B. V. Chaubal,
Deputy Managing Director & Group Executive
(Global Markets)

Shri S. K. Mishra,
Deputy Managing Director
(Corporate Strategy & New Businesses)

Shri V. Murali,
Deputy Managing Director
(Inspection & Management Audit)

Shri N. Jambunathan,
Deputy Managing Director & Chief Information Officer

Shri N.K. Chari,
Deputy Managing Director & Group Executive
(Mid-Corporate)

Shri Praveen Kumar Malhotra,
Deputy Managing Director
(Operations) - National Banking Group

Dr. J. N. Misra,
Deputy Managing Director & Corporate Development Officer

Smt. Varsha V. Purandare,
Deputy Managing Director & Chief Credit & Risk Officer

Shri M.G. Vaidyan,
Deputy Managing Director
(Retail Strategy) - National Banking Group

BANK'S AUDITORS

1. **M/s. S N Nanda & Co.,**
   New Delhi, SCAs of Patna Circle
2. **M/s. SCM Associates,**
   Bhubaneshwar, SCAs of Bhubaneshwar Circle
3. **M/s. Singhi & Co.,**
   Kolkata, SCAs of North Eastern Circle
4. **M/s. S R R K Sharma Associates,**
   Bangalore, SCAs of Kerala Circle
5. **M/s. T R Chadha & Co.,**
   New Delhi, SCAs of Mumbai Circle
6. **M/s. S Venkatram & Co.,**
   Chennai, SCAs of Chennai Circle
7. **M/s. Prakash & Santosh,**
   Kanpur, SCAs of Bhopal Circle
8. **M/s. K B Sharma & Co.,**
   Jammu, SCAs of Chandigarh Circle
9. **M/s. Add & Associates,**
   Kolkata, SCAs of Ahmedabad Circle
10. **M/s. V P Aditya & Co.,**
    Kanpur, SCAs of Lucknow Circle
11. **M/s. S Jaykishan,**
    Kolkata, SCAs of Bengal Circle
12. **M/s. Dhamija Sukhija & Co.,**
    Srinagar, SCAs of Delhi Circle
13. **M/s. Sriramamurthy & Co.,**
    Visakhapatnam, SCAs of Hyderabad Circle
14. **M/s. Mehra Goel & Co.,**
    New Delhi, SCAs of Bangalore Circle

FROM THE DESK OF THE CHAIRMAN

With a new and stable Government in place now, we expect a clear revival in investment climate.

Arundhati Bhattacharya
Chairman

Dear Shareholders,

It gives me great pleasure to place before you the highlights of your Bank's performance during the financial year 2013-14. Details of the achievements and initiatives taken by your Bank are provided in the enclosed Annual Report for the year 2013-14.

ECONOMIC OVERVIEW

The global economic environment has broadly strengthened, and is likely to improve further, with much of the growth impetus emanating from advanced economies. The outlook for world economy is positive with 3.5% growth forecast for 2014.

India's GDP, according to the CSO, is expected to improve moderately to 4.7% in FY 2014 against 4.5% growth in the previous year. The recovery is led by agriculture and external sector. Agricultural GDP, including allied sector, is poised to grow by 4.7% in FY 2013-14, over three times higher than 1.4% in the previous year. On the external front, stable rupee and improvement in the Current Account Deficit (CAD) from 4.8% of GDP in FY 2013 to 1.7% estimated for FY 2014 is good news. The narrowing of CAD followed a lower trade deficit due to higher exports as well as moderation in imports.

The Indian economy is now on the threshold of a major transformation, with expectations of policy initiatives by the newly elected Central Government. The economy is on the road to smart recovery due to positive business sentiments, improved consumer confidence and more controlled inflation. The sectors which were significantly impacted by the crisis and slowdown in the economy are now showing definite signs of improvement. The challenge for maintaining disinflationary momentum over the medium term, however, remains on the horizon. A moderate recovery is likely to be seen in FY 2015 when real GDP may grow by 5.3%-5.5%.

YOUR BANK'S PERFORMANCE

Deposits

The deposits of your Bank rose by 15.94% to ₹13,94,409 crores over the previous year's level of ₹12,02,740 crores. Due to higher growth as compared to the industry average, the market share of the Bank, in all scheduled commercial Bank deposits (ASCB), increased by 11 bps to 16.57% in March 2014. The Bank's policy to shed high cost bulk deposits and more reliance on retail deposits has paid dividends, which has resulted in increase in retail TD ratio from 41.87% to 45.47% during FY 2014. Due to higher reliance on retail deposits, coupled with healthy CASA of 44.43%, the ratio of CASA + retail TD to domestic deposits increased smartly to 89.89% in Mar 2014 from 88.37% in the previous year. Savings Bank Deposits increased by 13.1% to ₹4,69,262 crores from ₹4,14,907 crores in March 2013. I am glad to state that under Savings Bank, 421 lakhs new accounts were opened during the year which were 46.7% higher than 287 lakhs accounts opened during the previous year. In current account also, your Bank logged in a growth of 22.2% with new account accretion of 269 lakhs.

Advances

Advances of your Bank, after crossing the ₹10,00,000 crores mark last year, continued to grow at a healthy rate of 15.44% and reached ₹12,45,122 crores in FY 2014 against ₹10,78,557 crores in the previous year. Your Bank's advances remain well diversified across all verticals with the market share at 16.65%. Large Corporate advances rose from ₹1,75,831 crores in Mar 2013 to ₹2,42,719 crores in Mar 2014, registering a robust growth of 38.0%. Bank's loan to Mid-Corporate increased by 11.5% from ₹2,04,853 crores to ₹2,28,384 crores.

Taking advantage of favourable monsoons and increase in agricultural GDP growth of 4.7% in FY 2014, agriculture advances (direct + indirect) of your Bank grew by a healthy 23.9% to ₹1,54,715 crores. Through a Hub-and-Spoke Model with BC networks your Bank has established linkage with 69,000 villages for greater contact with customers residing in remote unbanked areas and bringing them into the banking fold. To capture the entire value chain and to reduce the slippages through risk mitigation, Agri products were reviewed and revamped critically.

SME advances, on the other hand, registered a negative growth of 2.37% in FY 2014 mainly due to decline in high yielding advances and continuing NPAs. A pilot was run to correct the flaws in the current model of SME delivery. The pilot has since been successfully concluded and a national roll out is commencing shortly. Under the new model, in order to provide specialised services to SME entrepreneurs as well as timely and adequate credit to this segment, 579 branches with a predominant portfolio of SME advances are being branded as 'SME Branches'. The objective is to identify these branches with a common nomenclature and develop them as centres of excellence for SME loan delivery.

Being the market leader in Home, Auto and Education loans, your Bank's retail growth story is impressive. Retail advances grew by 13.34% from ₹2,09,694 crores in Mar 2013 to ₹2,37,667 crores in Mar 2014. During the year, your Bank has recorded an all-time high growth of ₹21,271 crores in home loans and maintained its position as the country's largest home loan provider with a market share of 26.02%. Your Bank also maintains its retail market leadership in Auto loan financing and enjoys a market share of 21.41% as on Mar 2014.

Branch Expansion at Record High

During the financial year 2013-14, your Bank opened 1,053 branches, 57% of which were in rural and semi-urban areas taking the total number of branches of the Bank to 15,869. Our branches are well distributed among Metro, Urban and Rural areas. Myriad specialised branches have been opened during the year like four exclusive HNI branches, five new NRI branches, two new MCG branches at Ludhiana and Vijayawada, etc. These dedicated branches have an excellent ambience, along with a well-skilled team of officials to serve customers.

The International banking network of your Bank spans across 190 offices in 36 countries. The offices include 52 branches, 8 Representative Offices, 110 offices of the seven foreign banking subsidiaries and 20 other offices. During 2013-14, your Bank forayed into two new countries – in Botswana by establishing a subsidiary and in South Korea by opening a representative office.

Technology

Your Bank has gone beyond the usual domains of technology in terms of platform, solution, operational details and service content in a very aggressive manner to serve the excluded common citizen at minimal costs. The Bank's Core Banking Solutions (CBS) environment is benchmarked to establish the capability to support one billion accounts, over 250 million transactions in a day, and delivering a throughput of over 17,000 transactions per second.

The ATM footprint is being enlarged substantially through Brown Label ATMs,(which are being rolled out as totally outsourced initiative under guidance of the Ministry of Finance) as well as the CAPEX model ATMs. A wide variety of 51,491 ATMs (SBI group) and various types of cards have been deployed including 1,565 new cash Deposit Machines to facilitate cash deposit by customers.

Your Bank's internet banking portal provides a wide variety services to its retail and corporate customers anywhere, anytime. During 2013-14, myriad of new features have been added to our internet banking platform which attracted 39 lakh new users. The total internet banking users has now reached 169 lakhs as of Mar 2014.

In providing banking through Mobile Phones, your Bank is the market leader with a market share of 57% in transaction volume and 17% share in terms of value. During 2013-14, financial transactions worth ₹3,763 crores were executed through the Mobile Banking Service, resulting in an income of ₹ 6.43 crores from an aggregate of 95 lakh users.

Profit & Profitability

Prolonged slowdown in general macroeconomic conditions over the last three years has impacted business and profit of your Bank. However, the impact of slowdown was not symmetric across all the business verticals. On a consolidated basis, total business of your Bank increased by ₹3,58,234 crores from ₹22,81,297 crores in FY 2013 to ₹ 26,39,531 crores in FY 2014 - a robust growth of 15.7%. In line with the business growth, net interest income of your Bank increased by 11.17% from ₹44,329 crores in FY 2013 to ₹ 49,282 crores in FY 2014. Increase in interest income was on account of healthy NIM maintained by the Bank. The domestic NIM stands at 3.49% for FY14, unchanged from its levels in the last financial year. However, for the Group as a whole, the NIM declined marginally to 3.17% in FY 2014 from 3.34% in FY 2013. The NIM for foreign offices for FY 2014 stands at 1.42%.

Due to higher provisioning requirement, the growth in Bank's interest and non-interest income did not translate into higher profit figures for this year. The operating profit of the Bank grew by 3.31% during this financial to ₹32,109 crores while, the net profits contracted by 22.78% to ₹10,891 crores. Contraction in net profit was on account of higher provisioning on NPAs which rose by ₹2,855.78 crores from ₹11,367.79 crores in FY 2013 to ₹14,223.57 crores in FY 2014. Apart from increase in provision on NPAs, your Bank also made additional provision to cover expenses towards wage revision, one time provision for pension due to change in mortality table and payment for pension and gratuity. The three heads combined under the 'additional provisioning' accounted for 13.29% or ₹4,751 crores of the total operating expenses of ₹35,726 crores for FY 2014.

Despite lower dividend of ₹496.86 crores in FY 2014 against ₹715.51 in FY 2013 from Associate Banks/subsidiaries and joint ventures in India and abroad, non-interest income of your Bank grew handsomely by 15.69% to ₹18,552.92 crores in FY 2014 as against ₹16,036.84 crores in FY 2013.

Asset Quality

The slowdown in the economy has impacted the ability of borrowers to service debt which in turn affected asset quality of banks. Anticipating that a prolonged slowdown may further impact asset quality, your Bank has taken a number of steps to strengthen asset monitoring and recovery mechanism. Sustained efforts on this front yielded some success in the last quarter of FY 2014 with gross non-performing assets (NPA) and net NPA dropping by 78 bps and 67 bps respectively. The recoveries during the FY 2014 jumped by 62.3% to ₹7,738 crores from ₹4,766 crores in FY 2013. The recoveries under the write-off accounts also registered impressive growth of 44.7% over last year as the Bank was able to recover ₹1,543 crores by March 2014. The provisioning coverage ratio for FY 2014 was at a healthy 62.86%. For the FY 2014 as a whole the gross NPA and net NPA were contained to 4.95% and 2.57% respectively vis-à-vis 4.75% and 2.10% in FY 2013.

Capital Structure

Your Bank is now Basel-III compliant from FY 2013-14. The capital adequacy ratio of your Bank remained higher at 12.44%, against RBI's stipulation of 9%, with Tier I capital at 9.72% and Tier II at 2.72%. The CAR remains strong and the strength comes from three factors: i) Capital infusion of ₹2,000 crores by the GOI, ii) Fund raising through QIP ₹8,032 crores; and iii) Funds raising through Tier II Bonds ₹2000 crores. Your Bank continues to enjoy very good market valuations and is amongst the top ten Market cap companies.

Dividend

I am happy to announce that the Board of Directors of your Bank has declared a dividend of ₹30 per share (300%) for the year ended 31st March, 2014.

New Initiatives

Your Bank embarked on several new business initiatives during the year which have started bearing fruit. We have identified four key areas of focus: NPA reduction, risk and mitigants, cost control and technology for better customer service.

- For healthy CASA of 46% planned for the FY 2015, your Bank has linked medical insurance to Savings Bank account holders. Number of free multicity cheques was linked to the Average Quarterly Balance (AQB) of the account.
- Considering emerging needs of the farmers in tune with market dynamics, the Bank has rolled out a new loan product, namely 'Multi- Purpose Agri Gold Loan', which is a hassle-free and tailor-made product for all investment credit needs, such as minor irrigation, horticulture and farm machinery, among others.
- Your Bank has launched a new product named 'SBI HER Ghar', which offers a concession of 5 bps on the prevailing Home Loan interest rates for women borrowers. The Scheme has been well accepted in the market and now accounts for 24% of the incremental sanction of home loans.
- For SME, your Bank has developed new risk-mitigated products, such as SBI Asset Backed Loan, SBI Fleet Finance Scheme and POS Linked Current Account with Overdraft Scheme.
- For speedy on line payment/settlement, the Bank has launched 'SBIePay', to facilitate e-Commerce/ m-Commerce transactions among merchants, customers and various financial institutions for all kinds of e-Commerce payments.
- In retail segment, your Bank has introduced online car loan application portal.
- In the area of Internet Banking, your Bank has added several major new features to the Online SBI portal. For instance, online opening of Multi Option Fixed Deposit A/c, e-Annuity Deposit A/c, PPF A/c, self-blocking of lost ATM cards and a Smart phone application for internet banking users. This application is available on both Android and i-phone. For Corporates, the new added features include online Term Deposit Accounts, Digital Signature and Certificate based second factor authentication, etc.
- For improving customer service and reduce crowd in banking hall your Bank has introduced: ATM

cash recyclers, Bar-coded passbooks, cheque deposit machines, e-kiosk, Tab Banking, Social Networking, etc.

- Your Bank has launched a new online instant remittance product 'Sri Lanka to India - SBI Flash' for remittances from Sri Lanka to India.

Associates and Subsidiaries

Associates and Subsidiaries of your Bank have performed reasonably well considering the current macro-economic scenario where the country is passing through tough times, business growth is below trend and profitability under pressure due to increase in NPAs and restructured assets. During the year, the 5 Associate banks saw their consolidated net profit at ₹2,777 crores as against ₹3,678 crores in the previous year. All these banks are well capitalised with Capital Adequacy Ratio of 11.20% and Credit Deposit ratio of 83.91%. Market share of associate banks reached 5.48% in deposits and 5.88% in advances as on last Friday of March 2014.

Of the non-banking subsidiaries, SBI Life Insurance Company Ltd. posted a net profit of ₹740 crores, 19% higher over ₹622 crores in the previous year. SBILIFE continues to be the leader in the private sector in terms of New Business Premium in FY 2013-14 and is recognised as the most trusted private life insurance brand 2013 by Economic Times. SBI Capital Market Ltd. posted a net profit of ₹262 crores which was slightly lower than ₹314 crores in the previous year, while SBI Cards and Payment Services (Pvt.) Ltd. the only stand-alone card issuing Company of your Bank continues to excel with a net profit of ₹293 crores 115% higher than ₹136 crores in the previous year. In FY 2014, SBI funds management recorded an excellent net profit of ₹156 crores, 81% higher than ₹86 crores in the previous year. Also, the market share of SBI Funds Management increased by 52 bps to 7.24% in Mar 2014.

Recognition & Awards

Efforts and initiatives undertaken by your Bank has received wide attention and appreciation in various fields. Your Bank was the proud recipient of many recognitions/ awards during the year 2013-14, the notable among them being **'Best Trade Finance Bank 2014'** by Global Finance Magazine, **'Innovation in Customer Data Management'** award by The Banker, 'Industry Award for Excellence in Home Loan Banking' by The MY FM Stars of the Industry, 'Maximum ATMs in Different Locations' by Asian BFSI Awards. The Bank also awarded 'Training Provider of the Year' by Asia's Training & Development Excellence Awards 2013.

Additionally, the Bank has also received several national and international recognitions. Some of these are:

- Your Bank won seven out of nine awards in the "IBA Banking Technology Awards" namely: (i) The Best Technology Bank of the Year, (ii) Best Internet Bank, (iii) Best use of Mobile Technology, (iv) Best use of Technology in Financial Inclusion, (v) Best Customer Management Initiative, (vi) Best use of Technology in Training and E-learning and (vii) Best use of Technology in Business Intelligence.

- The Bank has garnered highest number of awards in CSR achievements during the year 2013-14, namely: (i) Asia's Best CSR Practice Award, 2013 instituted by CMO Asia and awarded to the Bank in Singapore; (ii) Asian BFSI Awards 2013-Best CSR Practices has been conferred to the Bank in Dubai; (iii) IPE BFSI Award 2013 - Best CSR Award, (iv) India's Most Ethical Companies Awards 2013 - Ethical Company in Banking; (v) ABP News 'BFSI-Best CSR Practices Award 2013 & Global CSR Excellence & Leadership, (vi) Blue Dart - Global CSR Excellence & Leadership Award. (Best use of CSR Practices in Banking Financial Sector) and Global CSR Excellence & Leadership Award 2013.

- The subsidiaries of your Bank has also received a number of awards like, (i) SBI Cards has been awarded with Readers Digest Award for 'Most Trusted Credit Card Brand', (ii) SBI Life awarded the 'Best Life Insurance Provider 2013 (Runner Up) by Outlook Money, 'Most Trusted Private Life Insurance Brand 2013' by The Economic Times, Brand Equity and Nielsen Survey, Awards at the World HRD Congress - Dream Company to Work for 2014 in Private Insurance, Dream Employer of the Year-2014 – Ranked 4th and Employer Branding Award 2014' for Talent Management.

Looking Ahead

After assuming office in October 2013, I have identified six areas of focus: NPA reduction, risk management, cost control, improving delivery standards, non-interest income and leveraging technology. In order to improve in these areas the Bank has initiated number of steps as under:

NPA Reduction: (i) Early review of all small loans through LOS and high-value loans through LLMS (ii) Product wise data analysis for evolving credit-Scoring Models (iii) SMA committees met in 1092 meetings, 4667 accounts reviewed and upgraded, 2783 accounts, through Multi-tiered differentiated strategies for individual accounts and SARB brought under SAMG (iv) SME collection teams with 68 officials exclusively trained to restructure SME accounts –pilots rolled out (v) Consultant hired for developing predictive risk models to detect NPAs.

Risk Management: (i) Risk official to be member of all credit committees (ii) Agri-products reviewed and some revamped to capture entire value chain and reduce slippages through risk mitigation (iii) Focus on recognising, mitigating and reducing risk-awareness creation by ensuring that all training programmes to contain one module on risk (iv) Project studies to focus on operational risks and best practices in this regard.

Cost Control and non-interest income: (i) Under cost cutting- centralisation of insurance/back office of foreign offices (ii) to economise operation, a number of cost cutting measures introduced (iii) Productivity and efficiency parameters –Dashboards are piloted in four centres (iv) Concurrent Auditors to work online facilitating on-going monitoring by Inspection Department (v) Online tool for controllers visits.

Leveraging Technology and improving delivery Standards (i). Alternate Channel development – presence through Tab Banking, social networking - Facebook, Twitter, etc. (ii) revamped the complaint management system (iii) Bar-coded passbooks -3125 machine –e-kiosk (iv) 4300 ATM Cash Recyclers (v) Automatic Compliance System being evolved (vi) To ensure uniform delivery standards – training of 40,000 employees of which 25% already undertaken (vii) HR-Career path/mentoring of PO/TOs, Tracking systems have been developed to mitigate their pain points skill development through mandatory e-learning/self- learning (viii) Another mass communication programme being developed.

India's growth which bottomed out in FY 2013, witnessed encouraging trends during financial year 2014 in certain areas for instance, agriculture, exports, CAD, stable rupee and financial markets. The slowdown in the economy has not only impacted business growth of banks but also affected recovery and assets quality of banks.

We believe improvement in macroeconomic environment and expected revival in economic growth will help to mitigate risks and resolve problems of asset quality. With a new and stable Government in place now, we expect a clear revival in the investment climate. Higher spending on infrastructure, speedy implementation of projects and continuation of reforms will provide further impetus to growth.

With warm regards,

Yours sincerely,

A. Bhattacharya

(Arundhati Bhattacharya)

DIRECTORS' REPORT

ECONOMIC BACKDROP AND BANKING ENVIRONMENT

Global Economic Scenario

The global economic environment has broadly strengthened, and is likely to improve further, with much of the growth impetus emanating from advanced economies. However, global growth still remains uneven with strengthening of the US economy, subdued growth in the Euro Area and Japan and slowdown in Emerging Markets and Developing Economies (EMDC). Although full global recovery is a distant prospect, normalisation of fiscal policies is now on the agenda of governments across the world.

The prices of global energy items and non-fuel commodities reduced by 1% and 1.2%, respectively, due to lower demand in 2013. However, the decline in commodity prices reflected disproportionately on consumer inflation. For the advanced countries, consumer inflation declined by 0.6% to 1.4% in 2013, while in the EMDC it exhibited downward rigidity and declined marginally by 0.2% to 5.8%.

The policy responses of major central banks (the US, ECB and Japan) no more resemble the coordination of the earlier years. The US Federal Reserve's Quantitative Easing programme is expected to witness major unwinding before the end of 2014. However, conditions in Euro Zone and Japan may constrain the European Central Bank (ECB) and Bank of Japan to scale down monetary expansion programmes. In such a scenario, we may enter into a new phase of asymmetric policy responses, where both ECB and Bank of Japan will be expanding, while the US will, in part, contracting. These policy stances may heighten the uncertainty associated with global growth momentum. The impact on asset prices and commodity prices thus will remain uncertain.

India's Economic Scenario

India remains one of the fastest growing economies of the world. However, the country's growth momentum has remained subdued for two consecutive years, reflecting weak and fragile global growth and domestic supply constraints. India's GDP growth improved moderately to 4.7% in FY 2013-14 against 4.5% in the previous year, and is estimated to increase further to 5.3%-5.5% in the current financial year (SBI estimates).

The forecast for below normal rainfall in current fiscal does not augur well for agricultural production. There were also unseasonal rains, accompanied by hailstorm and frost during early part of March 2014 in various parts of the country, adversely impacting Rabi crops. However, the good thing is that, led by higher crop production, agricultural GDP including allied sector is poised to grow by 4.7% in FY 2013-14, over three times higher than 1.4% in the previous year. Industrial growth continues to remain sluggish due to lackluster investment climate, stalled projects and subdued consumption demand. Persistent contraction in the mining sector, owing to regulatory and environmental hurdles also contributed to the overall decline in industrial activity.

However, the electricity sub-sector grew smartly by 5.9% in FY 2013-14 against 2.3% in the previous year. It continued to generate some optimism amidst a bleak industrial scenario, but its buoyancy was clearly inadequate to counter the weakness of other constituent sectors. With the formation of a stable Government at the Centre with renewed focus on reforms, economic activity across all sectors is likely to pick up pace.

Inflation, both Wholesale Price Index (WPI) and Consumer Price Index (CPI), remains a matter of concern. Both the build-up of inflation during April - November 2013 and the subsequent fall in inflation during December - February 2013-14 was driven by food prices. During the period June - December 2013, inflation in food articles remained in double digits, while in manufactured products it was stable at around 3% throughout the year. In fuel and power sector, inflation rose to 8.9% in April 2014 from 8.3% in April 2013. The core inflation remained below 3% during April – November 2013 but thereafter rose gradually to 3.50% by end of March 2014. However, it again declined to 3.40% in April 2014.

The Indian economy is now on the threshold of a major transformation, with expectations of policy initiatives by the newly elected Central Government.

On the external front, improvement in the current account deficit (CAD) from 4.7% of GDP in FY 2012-13 to 1.7% for FY 2013-14 is good news. The narrowing of CAD followed a lower trade deficit due to higher exports as well as moderation in imports. With a gradual recovery in key partner economies, India's exports began to improve in July 2013; this was also helped by rupee depreciation. During FY 2013-14, exports grew by 3.98%, while imports contracted by 8.1%. It resulted in sharp contraction in trade deficit from USD 190.3 bn in March 2013 to USD 138.6 bn in March 2014, primarily due to a 40% decline in gold imports. Going forward, with a likely improvement in world

GDP and global trade, export growth is likely to recover in 2014-15.

Due to various measures taken by the RBI since September 2013, surge in capital inflows led to reserve accretion. This is yet another positive development during the financial year 2013-14. The RBI's swap windows for banks' mobilisation of fresh FCNR(B) deposits and overseas borrowing helped to build reserve during September - November 2013. With the revival of portfolio flows since December 2013, India's forex reserves reached USD 314.9 billion (as on 16th May, 2014), an accretion of USD 22.9 bn over that of a year ago. With a lower CAD and build-up of foreign exchange reserves, the downward pressure on the currency and the volatility in the Indian rupee have subsided down. The rupee has also moved in a narrow range of ₹60.10 to ₹62.99 per US dollar since End-November 2013 to March 2014. In fact, during this period the rupee outstripped most of the other emerging market currencies.

Outlook

The Indian economy is now on the threshold of a major transformation, with expectations of policy initiatives by the newly elected Central Government. The economy is on the road to modest recovery with cautiously positive business sentiments, improved consumer confidence and more controlled inflation. The sectors which were significantly impacted by the crisis and slowdown in the economy are now showing definite signs of improvement. The challenge for maintaining disinflationary momentum over the medium term, however, remains on the horizon. A moderate recovery is likely to set in 2014-15 and real GDP may grow by 5.3% to 5.5%.

However, data revisions for previous quarters and the consequent changes in base effects impart uncertainty to the growth trajectory ahead. The pace of recovery, nevertheless, is likely to be modest. It is likely to be supported by investment activity picking up due to part resolution of stalled projects and improved business and consumer confidence.

In an interesting development, the Indian Meteorological Department's (IMD) forecast of below normal rains have triggered widespread discussions about India's production of food grains, agriculture's contribution to the GDP and concerns about food inflation in the current fiscal. Whatever may be the course of Monsoon 2014 going forward, fears of drought are unfounded at this point of time.

The outlook for industrial activity is positive. Industrial growth, which had been subdued in the past two fiscal, is now likely to gather momentum with moderately stronger global growth, improving export competitiveness and implementation of recently approved investment projects. The new Central Government's reforms focus should also act as an impetus to growth.

In the baseline scenario, commodity prices will remain muted during 2014. In the current scenario, global food and meal prices are likely to moderate. According to the US Energy Information Administration (EIA), the Brent crude oil price is projected to average USD 105 and USD 101 per barrel in 2014 and 2015, respectively, thus imparting a clear softening bias.

Going forward, while the global commodity price scenario provides some comfort, the rate of inflation may decelerate further from what has been witnessed in recent months.

In the coming years, we may see a fascinating scenario emerging in the India-China growth debate. While India is now focusing on increasing its share of manufacturing sector to 25% by 2025, China has already embarked on a mission of significantly revamping its services sector. The strategy of shifting the Chinese economy towards a service-sector bias may sooner or later impact India's services trade balance. However, considering China's growing ageing population such structural transformation would take a while to materialise.

Banking Industry Developments

Being one of the top 10 global economies with a billion-plus population, India offers a significant potential for the banking sector to grow. In addition, one third of the country's population still remains outside the purview of formal banking offering the Indian banking industry a rare opportunity to grow and help facilitate the nation's inclusive growth agenda.

Going forward, the country's ₹81 trillion (USD 1.34 trillion) banking industry may see more participants and greater healthy competition. Two new banks have already received licences from the RBI i.e. IDFC and Bandhan Group, which apart from providing impetus to financial inclusion, is expected to intensify competition in the banking sector in the medium term.

Going forward, the country's ₹81 trillion (USD 1.34 trillion) banking industry may see more participants and greater healthy competition

In addition, by postponing the implementation of Basel III capital accord by one year, RBI has given some breathing space to banks struggling with plummeting margins and lower profitability on account of increase in NPAs. The Reserve Bank of India's (RBI) new norms will further encourage banks to identify potential bad loans and take corrective actions.

As a part of monetary transmission, base rate of major banks inched up from 9.70%-10.25% in April 2013 to 10.0% -10.25% in March 2014, while deposit rates were readjusted from 7.5%-9.00% to 8.0%-9.25% in the same period.

While aggregate deposit of All Scheduled Commercial Banks (ASCBs) grew by 14.1% in FY 2013-14 against 14.2% growth in FY 2012-13, credit expanded by 13.9% against 14.1% in the previous year.

The Reserve Bank of India's (RBI) new norms will further encourage banks to identify potential bad loans and take corrective actions.

FINANCIAL PERFORMANCE

Profit

Given the system wide economic slowdown, the financial performance of the Bank during the financial year ended 31st March, 2014, remained satisfactory. The Bank registered a good growth in Operating Profit during the fourth quarter of the year as compared to previous quarters. The Operating Profit of the Bank for 2013-14 was higher at ₹32,109.24 crores, as compared to ₹31,081.72 crores in 2012-13, an increase of 3.31%.

The Bank posted a Net Profit of ₹10,891.17 crores for 2013-14, as compared to ₹14,104.98 crores in 2012-13, i.e. a decline of 22.78% on the back of higher provisioning requirement.

Net Interest Income

Due to higher growth in the advances and investment portfolios, the gross interest income from global operations rose from ₹1,19,655.10 crores to ₹1,36,350.80 crores during the year registering a growth of 13.95%.

The Net Interest Income of the Bank correspondingly registered a growth of 11.17% from ₹44,329.30 crores in 2012-13 to ₹49,282.17 crores in 2013-14.

Interest income on advances in India increased from ₹85,782.26 crores in 2012-13 to ₹97,674.91 crores in 2013-14 registering a growth of 13.86%, due to higher volumes. However, the average yield on advances in India has declined from 10.54% in 2012-13 to 10.30% in 2013-14.

Income from resources deployed in treasury operations in India increased by 15.24% mainly due to higher average resources deployed. The average yield has also increased to 7.65% in 2013-14 from 7.54% in 2012-13.

Total interest expenses of global operations increased from ₹75,325.80 crores in 2012-13 to ₹87,068.63 crores in 2013-14. Interest expenses on deposits in India during 2013-14 recorded an increase of 15.65% compared to the previous year. The average cost of deposits has increased by 6 basis points from 6.29% in 2012-13 to 6.35% in 2013-14, whereas the average level of deposits in India grew by 14.55%.

Non-Interest Income

Non-interest income increased by 15.69% to ₹18,552.92 crores in 2013-14 as against ₹16,036.84 crores in 2012-13. During the year, the Bank received an income of ₹496.86 crores (₹715.51 crores in the previous year) by way of dividends from Associate Banks/subsidiaries and joint ventures in India and abroad.

Operating Expenses

There was an increase of 22.43% in the Staff Cost from ₹18,380.90 crores in 2012-13 to ₹22,504.28 crores in 2013-14. The main reasons for increase were higher provision for pension liability due to revision in mortality table from 01.04.2013, impact of which was ₹2,400.00 crores and provision for wage revision to the tune of ₹1,814.00 crores. Other Operating Expenses registered an increase of 21.26% mainly due to increase in expenses on rent, taxes and lighting, law charges, postage, telephones, printing and stationery, insurance and miscellaneous expenditure.

Provisions and Contingencies

Major amounts of provisions made in 2013-14 were as under:

- ₹14,223.57 crores (net of write-back) for non-performing assets (as against ₹11,367.79 crores in 2012-13).
- ₹1,260.69 crores towards Standard Assets (as against ₹749.61crores in 2012-13), including the current year's provision, the total provision held on Standard Assets amounts to ₹6,575.43 crores.
- ₹5,282.71 crores towards Provision for Tax in 2013-14, (as against ₹5,845.91 crores in 2012-13).
- ₹563.25 crores provisions for depreciation on investments, excluding amortisation of premium on 'Held to Maturity' category (as against ₹961.29 crores write back towards depreciation on investments in 2012-13).

Reserves and Surplus

- An amount of ₹3,339.62 crores (as against ₹4,417.86 crores in 2012-13) has been transferred to Statutory Reserves.
- An amount of ₹216.75 crores (as against ₹19.17 crores in 2012-13) has been transferred to Capital Reserves.
- An amount of ₹4,796.63 crores (as against ₹6,453.26 crores in 2012-13) has been transferred to other Reserves.

Assets

The total assets of the Bank increased by 14.43% from ₹15,66,211.27 crores at the end of March 2013 to ₹17,92,234.60 crores as at the end of March 2014. During the period, the loan portfolio increased by 15.70% from ₹10,45,616.55 crores to ₹12,09,828.72 crores. Investments increased by 13.52% from ₹3,50,877.51 crores to ₹3,98,308.19 crores as at the end of March 2014. A major portion of the investment was in the domestic market in government securities.

Liabilities

The Bank's aggregate liabilities (excluding capital and reserves) rose by 14.08% from ₹14,67,327.59 crores on 31st March, 2013 to ₹16,73,952.35 crores on 31st March, 2014. The increase in liabilities was mainly contributed by increase in deposits and borrowings. The Global deposits rose by 15.94% and stood at ₹13,94,408.50 crores as on 31st March, 2014 against ₹12,02,739.57 crores as on 31st March 2013. The borrowings increased by 8.24% from

₹1,69,182.71 crores at the end of March 2013 to ₹1,83,130.88 crores as at the end of March 2014.

I. CORE OPERATIONS

Customer Service

At SBI, we believe customers represent the foundation of our achievements across decades. It is their continuing support in our vision that has helped us strengthen our legacy as the nation's most successful commercial Bank. Therefore, all our strategies and initiatives revolve around the 'Customer' and his/her preferences and aspirations.

Our Customer Service link, available 24 x 7 on SBI-Online, has the option of Online/Offline Complaint Registration. Also Online/Offline Appreciation/ Feedback portal provides the feeling of 'Customer Delight', to our customers.

The Bank was the first in India to introduce a code of Fair Banking Practices in the country called 'Towards Excellence'. The code reflects the Bank's continuing commitment to provide world-class banking services to all sections of society. Towards this purpose, SBI has laid down several policies:

- Policy on Grievance Redressal
- Compensation Policy
- Cheque Collection Policy
- Policy on Depositors' Rights
- Policy on Security Repossession/Code of Conduct for Recovery Agents
- Policy on Multi-city Cheque

Contact Centre

SBI's Contact Centre caters to customers through inbound calls and e-mails. It has emerged as a strong alternate channel and is providing following customer services:

- Account Information to customers having ATM-cum-Debit Card (Balance info, last five transactions, among others).
- Debit Card hot-listing and Status of the debit card, ATM PIN re-generation request.
- Information on products and services and lead registration.
- Registration of complaints.
- Pension particulars (Basic Pension, Dearness allowances, status of life certificate, among others).
- Online trouble shooting for Mobile Banking, Internet Banking and Mobi-cash.
- Status of NEFT/RTGS and SBI Express Remittances.
- Contact Centre is available 24x7 through 2 toll free helpline nos. 1800 11 2211/1800 425 3800 and toll number 08026599990. Bank has 4 Contact Centres at Vadodara, Bangalore, Agra & Kolkata.
- This helpline provides a human interface of the Bank, thus helping in migrating the customers from branches. It is estimated that it helps in reducing footfalls at branches by an average of 20 customers/day per branch.
- It is handling approximately 3.50 lakhs calls/day in 12 languages including Hindi and English. Out of this, Customer Service Representatives attend approx. 80,000 calls, whereas the remaining calls are served on self-service options through Interactive Voice Response System (IVRS).
- It is also responding to e-mails received on major SBI Corporate IDs like contactcentre@sbi.co.in, ibanking@sbi.co.in, customercare.homeloans@sbi.co.in, feedback.mobicash@sbi.co.in

Customer Day

In keeping with our Vision Statement, SBI strives to achieve one of the highest standards in customer service. Customers have direct access to relevant Authorities, Controllers and the Management at the apex. Two days in a month are observed as 'Customer Day', when Branch Head & Administration Officers are available to receive suggestions from customers and resolve their grievances.

The Bank's mandate is to redress customer grievances within maximum three weeks of receipt, as against a 30-day timeline prescribed in the BCSBI Code. All ATM related customer complaints are redressed within seven days (prescribed by the RBI). The Bank has put in place a Compensation Policy to compensate aggrieved customers financially for any slippage in services extended.

Fraud Prevention and Monitoring

The Bank has taken several measures to strengthen the internal control mechanism to prevent frauds.

I. Business Groups

A) National Banking Group

B) Corporate Banking Group

C) Mid Corporate Group

D) International Banking Group

E) Global Market Operation

A) National Banking Group

The National Banking Group (NBG) is the largest business vertical of the Bank, anchoring 95.24% of total domestic deposits and 52.05% of total domestic advances, as on 31st March, 2014. It is also the largest business vertical in terms of branch network and human resources.

National Banking Group
- Rural Banking Unit (RBU)
- Personal Banking Business Unit (PBBU)
- Real estate, Habitat & Housing Development (ReH&HD)
- Small & Medium Enterprises Business Unit (SMEBU)
- Government Business Unit (GBU)

RBU, PBBU, ReH & HD and SME business units are having business portfolios above Rupees One Lakh crores, each.

Exhibit 1: Branch Expansion Trend

As on	Rural	Semi-Urban	Urban	Metro	Total
31.03.2013	5,661	4,173	2,631	2,351	14,816
Branches added during FY 2013-14	397	230	264	177	1,068
Branches merged/closed	2	4	5	4	15
31.03.2014	6,056	4,399	2,890	2,524	15,869*

* Excluding 24 BPR/ other outfits (RACPCs, CPCs, etc.)

Exhibit 2: NBG Business Performance (₹ in crores)

Particulars	Level			YTD Growth	
As on	31.03.2012	31.03.2013	31.03.2014	Absolute	(%)
Segmental Deposits	9,12,848	10,47,296*	12,09,898	1,62,602	15.53
Segmental Advances (non-food)	4,29,509	4,89,216*	5,27,480	38,264	7.82

* excluding account transfer to MCG during FY 2013-14

Financial Inclusion (FI)

- The Bank has set up 45,487 Business Correspondent (BC) Customer Service Points through alliances both at the national and regional level.
- The Bank is offering various technologically enabled products through BC channel, such as Savings Bank, flexi RD, STDR, remittance and SB-OD facilities.
- The Bank has achieved 100% coverage across 31,729 villages during FY 2013-14. The cumulative coverage totalled 52,260 villages.
- Over 11,423 BC outlets have been set up across urban/ metro centres, which cater to the requirements of migrant labourers and vendors, among others. During FY 2013-14, 226 lakhs remittance transactions for ₹9,983 crores were registered through BC channel.
- During FY 2013-14, the Bank has opened 1.50 crores small accounts with simplified KYC, taking the overall tally to 3.53 crores accounts.
- The transactions volume through the BC Channel has grown to ₹22,525 crores during FY 2013-14 as against ₹13,033 crores during FY 2012-13.
- To facilitate transactions through alternate channels, the Bank has issued 24 lakhs FI Rupay ATM Debit Cards to FI customers.

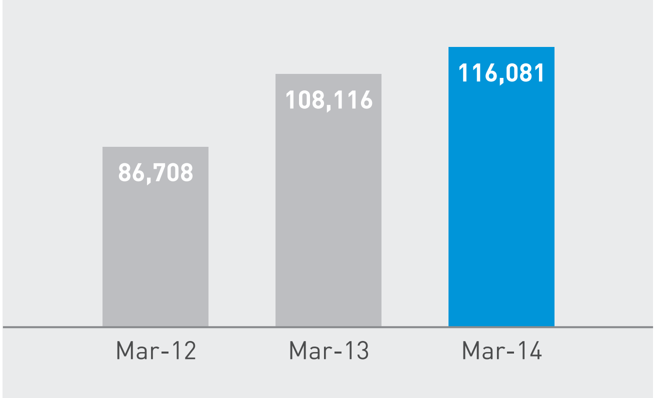
FI Rupay ATM Debit Cards

- Linking of villages to branches through CSPs in a hub-and-spoke model has been launched and 69,749 villages have been linked so far. A facility of depositing loan repayments at 31,919 BC outlets has also been enabled.
- Direct Benefit Transfer (DBT) Scheme has been successfully rolled-out. The Bank has successfully completed 27.41 lakhs transactions amounting to ₹505 crores as Sponsoring Bank in addition to handling 7.1 lakhs transactions amounting to ₹98.61 crores as Receiving Bank. Overall 1.36 crores accounts were linked with Aadhaar across the country.
- SBI is the sole Sponsoring Bank for DBT for LPG transactions, which are processed centrally for all the three Oil Marketing Companies; over 8.98 crores transactions amounting ₹5,393 crores were successfully processed.
- Over 4.46 lakhs SHGs are credit linked with credit deployment of ₹5,134 crores. Our market share in SHGs is 22%.

Agri Business

- The Bank retained its leadership in Agri Business by crossing ₹1,16,081 crores under agri-segmental advances covering over 1.13 crores customers. A total of 5.13 lakhs new customers were brought in the Bank's fold during FY 2013-14.
- Short-term production credit constituting KCC and Agri Gold Loan, recorded 14% Y-o-Y growth.
- Average agri loan ticket size increased to ₹1.03 lakhs through migration of crop loans to revised Kisan Credit Card scheme operated through ATM enabled State Bank Kisan Cards.
- The number of Kisan Credit Card issued by Bank crossed 61.60 lakhs during FY 2013-2014.

Exhibit 3: Business Performance of Agri Advances (₹ in crores)



Flow of Credit to Agriculture

As in the past, the Bank has surpassed Agri credit flow target set by GOI during FY 2013-14.

Exhibit 4: Flow of Credit to Agriculture Trend

Year	Target	Disbursement	% Achievement
FY 2011-12	51,000	53,214	104%
FY 2012-13	60,000	63,936	106%
FY 2013-14	73,500	74,970	102%

New Products Launched

To meet the emerging needs of the farmer in tune with market dynamics, the Bank has rolled out new loan products - 'Multi-Purpose Agri Gold Loan' a hassle-free and tailor-made product to tap the potential in Agri Gold Loan business for all investment credit needs, such as minor irrigation, horticulture and farm machinery, among others.

Special Campaigns

To create awareness among farmers and to improve coverage/penetration of the Bank's Agri products, special campaigns were launched.

- **KCC Campaign:** To drive growth in KCC loan portfolio through renewal and migration of existing KCC accounts under the revised KCC scheme, a business of ₹6,841 crores was garnered under the campaign in FY 2013-14.
- **Swarnadhara Campaign:** To promote Agri gold loans and Multi-Purpose Agri Gold Loan, the campaign was re-launched quarterly and mobilised a business of ₹4,342 crores during FY 2013-14.
- **Tractor Loan Carnival:** To promote 'New Tractor Loan scheme', which was dovetailed to capture and regain the competitive tractor market and garnered a business of ₹274 crores in FY 2013-14.
- **Krishi Plus:** To target the existing high-value agri borrowers (limit of ₹3 lakhs and above) with good track record for the sanction of an additional loan to capture growth with quality. A total of 4,148 accounts, aggregating to ₹108.15 crores, have been sanctioned under the campaign.

Bonding with Farmers

- **SBI Ka Apna Goan Scheme:** During FY 2013-14, 121 new villages were adopted under 'SBI Ka Apna Goan Scheme' for overall development, taking the total number of villages adopted to 1,393.
- **Farmers Club:** A total of 145 new Farmer Clubs were formed for fostering continued relationship with the farming community taking the total number of Farmer Clubs to 10,670 as on 31st March, 2014.

Growth Enablers

Hub-and-Spoke Model with BC network: The Bank has established linkage with 67,489 villages through 34,064 rural CSPs for scouting applications from customers residing in remote unbanked areas and bringing them into the banking fold.

Loan Origination Software (LOS): Loan Origination Software applications support tracking and recording all processes from sourcing to sanction, documentation, control and subsequent account opening in CBS, resulting in avoidance of repetitive work.

Personal Banking Business Unit (PBBU)

Domestic Business

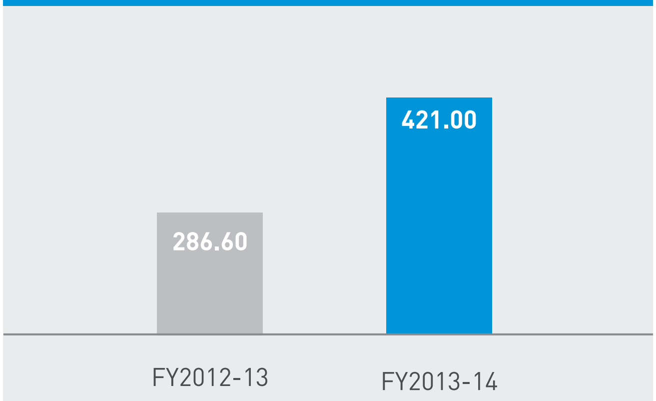
SBI Savings Account, offers Personal Accident Insurance

Domestic Deposits have grown by ₹1,17,100 crores (16.87%) and Advances by ₹6,702 crores (7.43%) as on 31st March, 2014. CASA Deposit has grown by 15.51% and CASA Ratio as on 31.03.2014 is 46.95%. During the year, we have taken the following steps to strengthen our Savings Bank product and to make it more competitive:

- Online Account opening facility has been popularised.
- Personal Accident Insurance was enhanced by adding two new insurance cover slabs of ₹10 lakhs and ₹20 lakhs.
- Medical Insurance was introduced for Savings Bank Account holders.
- Number of free multicity cheques was linked to the Average Quarterly Balance (AQB).

The above mentioned initiatives strengthened customer acquisition.

Exhibit 5: No. of New Savings Bank Accounts (lakhs)



Other Highlights

- The number of Premier Banking customers has increased from 2,78,509 to 3,57,679 customers during FY 2013-14. There is 27% growth in deposits in this segment.
- During the year, four exclusive HNI branches and 45 new PBBs were opened.

NRI Services

During FY 2013-14, NRI Deposits have grown by ₹32,518 crores (42%) and reached a level of ₹109,958 crores as on 31.03.2014. Advances to NRIs recorded a growth of ₹538 crores (24%) during the FY 2013-14, the level reached being ₹2,751 crores as on 31.03.2014. We had also launched the special FCNB scheme to mobilise foreign currency deposits under the RBI's special SWAP window from 04.10.2013 to 25.11.2013 and garnered an amount of USD 3089 million.

The Bank has been to make the most of our available services and products through online channels. Therefore, we recently launched the Online Account Opening facility for NRI customers.

SBI was the Principal Sponsor of Pravasi Bharatiya Divas, an annual flagship event for NRI Diaspora from all over the world, organised by the Ministry of Overseas Indian Affairs, which was held at Vigyan Bhavan, New Delhi from 7th-9th January, 2014.

To strengthen our pre-eminent position in the area of NRI Services, we have opened five new NRI branches in India during the current financial year, taking the number of total NRI branches to 74. These dedicated branches have an excellent ambience, along with a well-skilled team of officials to serve NRI customers. Apart from these branches, there are also about 100 NRI intensive branches across all Circles servicing substantial volumes of NRI business.

Corporate and Institutional Tie-Ups

The Bank now has customised Special Salary Packages for employees of Corporates, Defence, Para Military, Railways, Central Government, State Governments as well as Police, which enable a focused marketing approach.

Related Assets and Liabilities business garnered from this niche group is ₹36,970 crores in Time Deposits and ₹29,999 crores in retail loans comprising Home Loans (₹14,913 crores), Auto loans (₹3,135 crores), Xpress Credit Loans (₹11,951 crores). Four hundred and sixty six new tie-ups were entered under the Corporate Salary Package during FY 2013-14.

Exhibit 6: Corporate & Institutional Tie-Ups

Particulars	31.03.2013	31.03.2014	Growth in FY 2013-14	
			Absolute	%
Defence Salary Package and Para Military Salary Package accounts	22,27,930	23,79,925	1,51,995	6.82
Other Salary Package Accounts	48,51,168	51,85,098	3,33,930	6.88
Total No of Salary Package Accounts	70,79,098	75,65,023	4,85,925	6.86
CASA (₹ in Crores)	21,262	24,735	3,473	16.33

Auto Loans

The Auto Loan portfolio has grown by 12.60% during FY 2013-14, despite negative growth in the passenger car market. The Bank is currently offering car finance on 'On Road Price' of the car, with longest repayment period of 7 years, no pre-payment penalty, no advance EMI and at competitive interest rates. A new online Car Loan application system was launched and rolled out pan-India to source Car Loans online.

Education Loans

SBI Education Loans has grown at 7.19% YoY (during

FY 2013-14). SBI has a total exposure of ₹14,740 crores as on March 2014. SBI is the market leader in Education Loans with a market share of around 24.9% among ASCB as on February 2014.

SBI Student Plus Advantage Credit Card, designed specifically for Education Loan Borrowers, was launched in collaboration with SBI Cards Ltd. to provide them with an additional means of financing their expenditure whenever needed.

Personal Loans

The Personal Loans Portfolio, which is the second largest in the Personal Banking Segment with an outstanding of ₹48,432 crores as on 31.03.2014, includes Personal Loans, Loan against Securities, Loan against Properties and Gold Loan. It has grown by ₹2,244 crores during FY 2013-14. Loan against Time Deposits, which is one of the major products in Personal Loans Portfolio, grew by ₹1,162 crores.

Real Estate, Habitat & Housing Development (ReH & HD)

During FY 2013-14, the Bank has recorded an all time high growth of ₹20,849 crores in home loans and maintained its position as the country's largest home loan provider. The market share amongst All Scheduled Commercial Banks (ASCB) in home loans has improved by 8 bps from 25.94% (as on 31.03.2013) to 26.02% (as on 31.03.2014).

SBI Pre-approved Home Loans to choose the best home within your budget.

Exhibit 7: Performance in Home Loans (₹ in crores)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14
Levels	1,02,739	1,19,889	1,40,738
YTD Growth	12,826	16,728	20,849
YTD Growth (%)	14.26%	16.30%	17.38%

During FY 2013-14, the Bank took several initiatives to provide an additional thrust to its Home Loan portfolio. Some of the important initiatives in this regard comprise the following:

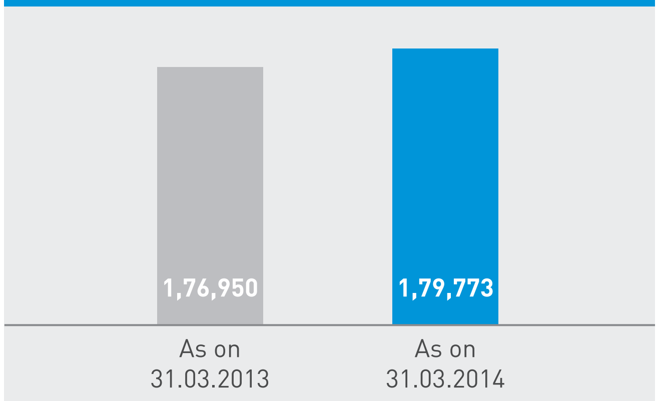
A new product named 'SBI HER Ghar' offering a concession of 5 bps on the prevailing Home Loan interest rates was introduced for women borrowers in December, 2013. The Scheme has been well accepted in the market and now accounts for 24% of the incremental sanction of home loans.

Select branches at major centres have been authorised for execution of home loan documents to enhance the level of customer convenience and satisfaction.

The maximum permissible moratorium period under a different scenario has been revised and a higher moratorium period of up to 48 months has been permitted for integrated township and Mega projects.

Small & Medium Enterprise (SME) Business Unit

Exhibit 8: Business Performance in SME (Advance) (₹ in crores)



Innovation and New Products: We have developed risk-mitigated products for SMEs, such as SBI Asset Backed Loan, SBI Fleet Finance Scheme and POS Linked Current Account with Overdraft Scheme, which are launched in FY 2013-14. We are incorporating sector-specific Scoring Models in the new products and schemes to screen the borrowers at an initial stage to facilitate faster processing.

Relationship Banking: Under a single-window approach, the Bank is offering Relationship Banking to SME Entrepreneurs. The strength of Relationship Managers (Medium Enterprises) was augmented to 597 as on 31.03.2014 and mapped to ME units with credit limits of ₹1.00 crores and above across the country. The advances portfolio under Relationship banking as on 31.03.2014 is ₹1,37,180 crores.

Specialised SME Branches: To provide specialised services to SME Entrepreneurs, 579 branches with a predominant portfolio of SME advances are branded as 'SME Branches'.

The objective is to identify these branches with a common nomenclature and develop them as centres of excellence for SME loan delivery.

Credit Flow to Micro and Small Enterprises (CGTMSE): The Bank is extending collateral-free lending up to ₹1 crores to MSE sector under guarantee of CGTMSE.

Exhibit 9: Performance in CGTMSE (₹ in crores)

Particulars	As on 31.03.2013	As on 31.03.2014	Growth (% Increase)
Outstandings (% to total SME advances)	7,263	9,740	2,477 (34.10%)
No of customers (in lakhs)	1.71	2.09	0.38 (22.22%)

Loan Origination Software (LOS) for SME: The LOS for SME Business Unit has been conceived to capture the pre-sanction process of advance portfolio, thereby ensuring quality and uniform standards of credit dispensation and finally ensuring a robust record and information retrieval system. The LOS system helps in handling a large volume of applications, eliminates repetitive work and improves the record and retrieval system.

As on 31.01.2014 one of the schemes of the SME BU i.e. 'SME Smart Score for loans up to ₹25 lakhs' under LOS was soft launched across all Circles by the GITC, Belapur.

SBI Dealer Financing Scheme

Supply Chain Finance

Leveraging its state-of-the-art technology, SBI is focusing on further strengthening its relationship with the Corporate World by financing their Supply Chain partners.

The Bank has tied up with 70 industry majors across all industry verticals, such as Auto, Oil, Steel, Power, Fertilizer, FMCG and Textile under e-DFS.

Exhibit 10: Performance in Electronic Dealer Finance Scheme (₹ in crores)

Particulars	As on 31.03.2013	As on 31.03.2014	Growth (% Increase)
Limits Sanctioned	6,532	9,487	2,955 (45.24%)
Outstandings	4,785	7,533	2,748 (57.42%)

Exhibit 11: Performance in Electronic Vendor Finance Scheme (₹ in crores)

Particulars	As on 31.03.2013	As on 31.03.2014	Growth (% Increase)
Limits Sanctioned	2,960	3,865	905 (30.57%)
Outstandings	1,164	1,742	578 (49.66%)

SME Insta Deposit Cards: There are 1,516 CDMs installed at various locations across the country, as on 31st March, 2014. The Bank has issued 2,16,847 SME Insta Deposit Cards and 1,33,576 Business Debit Cards to SME customers.

Cash Pick up Facility: The cash pickup facility of collecting cash at customers' doorsteps was introduced for SME customers in August 2011. The growth in usage of this facility has been as under:

Exhibit 12: Performance in Cash Pickup Facility (₹ in crores)

Particulars	As on 31.03.2013	As on 31.03.2014	Growth (% Increase)
No. of customers availing the facility	486	656	170 (35%)
Amount of cash pick-up	2,246.75	4,860.55	2,613.80 (116%)

SME Power Current Account: As on 31.03.2014, the number of Power Accounts stands at 28,215, constituting a deposit base of ₹3,032.44 crores, as against ₹2,741 crores in 26,160 accounts as on 31.03.2013.

Unfixed Deposits: The popularity of Unfixed Deposits, launched during November 2011, received good response from a large section of SME and Corporate Client base. The deposit under the scheme grew to a level of ₹42,159 crores as on 31.03.2014.

Government Business

The Bank handles government transactions (receipts, payments, pensions, among others) as an agent of the RBI on behalf of the Government and various state governments through its authorised branches. During FY 2013-14, the Bank was able to retain its position as the market leader in this business segment, with a market share of around 58% in terms of handling government payments and receipts.

The Bank earned commission from Government transactions of ₹16.59 billion and ₹17.80 billion during FY 2013-14 and FY 2012-13, respectively.

The decline in government commission during FY 2013-14 by 6.70% over FY 2012-13, despite a growth of 10.92% in Government turnover is due to:

- Migration of Government Receipts on e-mode (which earn ₹12/- per transaction as against ₹50/- for physical transaction).
- Higher rates of commission were applicable during Q1 FY 2012-13.

The Bank is facilitating the Government of India's e-governance initiatives by launching multiple e-products, such as e-Auction, e-Freight, Rail Shakti, Fee collection for Passport and various examinations, Imprest Cards, Central Plan Scheme Monitoring System, SAAKSHAR Bharat, among others . Many other e-products are expected to be launched during FY 2014-15.

Marketing and Cross Selling

SBI is Corporate Distributor of SBI Life, SBI Cards, SBI Cap Securities Ltd. and SBIMF, along with four other major AMC tie-up partners, such as UTI MF, Tata MF, Franklin Templeton MF & L&T MF, through our branches.

The Bank's cross selling income has increased to ₹282 crores as on 31.03.2014 from with YTD growth of 14%, as compared to ₹274 crores as on 31.03.2013. SBI Life life insurance policy has covered 51% of the Bank's home loan borrowers and 50% of education loan borrowers during FY 2013-14. A new Health – Personal Accident Insurance product, launched by State Bank General Insurance, sold 1.44 crores Policies and SBI General has issued 44,000 health insurance policies during the year. State Bank Card & Payment Services Private Ltd. has issued a total of 25,000 credit cards and we have opened 1,20,000 Demat and Trading accounts through our subsidiary SBICAP Security Ltd. during FY 2013-14.

B) Corporate Accounts Group (CAG)

CAG is the dedicated SBU for handling the 'large credit' portfolio of the Bank. The SBU has 7 Offices in 6 regional centers viz. Mumbai, Delhi, Chennai, Kolkata, Hyderabad and Ahmedabad headed by General Managers. The business model of CAG is centered around the Relationship Management concept and each client is mapped to a Relationship Manager who spearheads a cross-functional Client Service Team. The Relationship strategy is anchored on delivering integrated and comprehensive solutions to the clients, including structured products, within a strict Turn-Around-Time. The principal objective of the strategy is to make SBI the first choice of the top corporates thereby increasing the wallet-share and improving the Return on Capital Employed. A sustained Account Planning exercise with rigorous review of the account by senior management sets the pace for the Relationship Management in CAG.

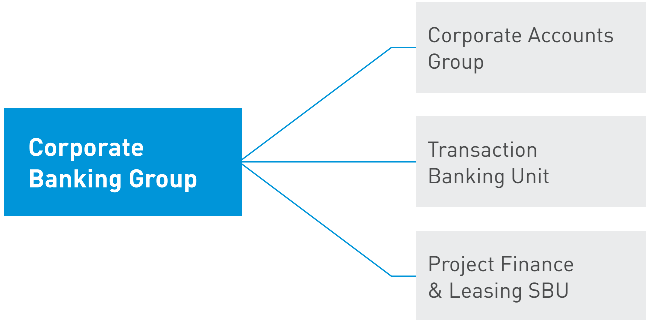
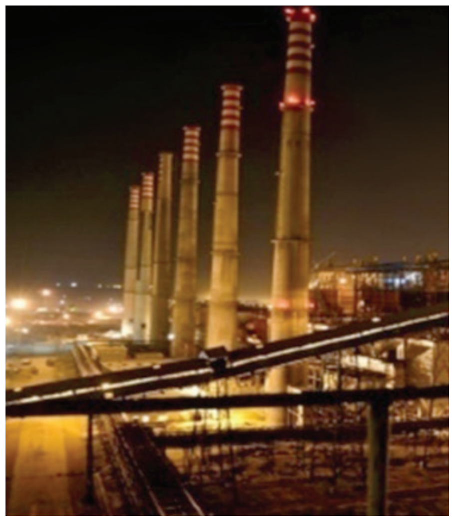


Exhibit 13: Business Performance of CAG (₹ in crores)

Facility	FY 2012-13	FY 2013-14	Growth (YoY)
Fund Based (O/s)	175,831	242,718	38%
Non Fund Based (Vol)	409,477	466,598	14%

While the Fund Based outstandings of CAG constitutes 20% of total credit portfolio of the Bank, CAG also handles about 61% of the domestic forex business of the Bank. During the year, CAG handled several high value deals eg. Power Grid Corporation, DVC, Tata Steel, Hindalco Industries, etc.



360 KTPA Aluminium Smelter Plant with 900 MW captive power of Hindalco Industries at Singrauli, Madhya Pradesh

In addition to rupee loans, many clients of CAG borrow significantly in foreign currency. During the year, substantial business was generated not only from Oil PSUs, but also from clients in the private sector.

Around 44% of CAG's exposure is to Infrastructure sector of which 85% is to corporates with ratings of Investment Grade and above, and the risk profile of sectoral movement is well balanced.

In the backdrop of the robust growth of CAG-Mumbai, a second Office in BKC, Mumbai was opened during September -13, and it is proposed to open another office in Delhi shortly so as to ensure that the high standards of asset quality and service delivery are maintained.

Transaction Banking Unit (TBU)

TBU, with special focus on Cash Management Products, Trade Finance and Supply Chain (Dealer / Vendor) Finance, which started working in full-fledged manner during the year 2009-10, has expanded its activity during the last four years.

Cash Management Product (CMP): The Bank provides Cash Management Services "SBI F.A.S.T."- (Funds Available in Shortest Time) to Corporate customers through 1450 branches at 757 centers spread over the country by means of a technology driven platform. The Bank's entire network of over 15,500 branches is also offered to Large Corporates, Non-Banking Finance Companies and Insurance Companies for their Cash Management needs through certain 'Premium Products' such as Powerjyoti – Pre-upload. The whole spectrum of Cash Management services encompassing Liquidity Management, Cheque and Cash collections, Doorstep Banking for Cash and Cheque pickup, collections for Public Issues (IPO/Bonds), e-Collections, Post dated Cheques management, Mandate based debits and Payment services comprising Dividend Warrants, Multi City Cheques, Inter Office Instruments and e-payment are offered.

CMP Centre is the "Sole Refund Banker" for Central Board for Direct Taxes (CBDT). CMP Centre has brought about integration of payment Systems of Controller General of Defence Accounts, Civil Ministries under UMEA and some State Governments with the Core Banking Infrastructure of the Bank by providing Centralised e-Payment Solution enabling the Government Departments to achieve their objectives under National e-Governance Project (NeGP).

Trade Finance: As on 31.03.2014, LC/BG business and income under CAG recorded a YoY growth of 14% and 30% respectively despite the general economic slowdown, a result delivered on the back of the superior services provided.

e-Trade SBI

SBI has established an excellent technology and operation infrastructure for its Trade Finance business. e-Trade SBI, a web-based portal, which was launched by our Bank in March 2011, has been undergoing constant improvement to enhance customer comfort and provide the means to customers to access trade finance services with speed and efficiency by enabling them to lodge Letters of Credit, Bank Guarantees and Bills Collection/negotiation requirements online from any corner of the world. As on 31.03.2014, 1748 Corporates are registered under e-Trade SBI and more than 15000 transactions per month are taking place through e-Trade platform.

e-VFS (Electronic Vendor Financing Scheme) & e-DFS (Electronic Dealer Financing Scheme)

Leveraging our Bank's state-of-the art technology, our relationship with the Corporate World has been further strengthened by financing their Supply Chain Partners through the above two products which are fully automated, secured and robust. They are designed to ensure efficient management of working capital cycle, sustained growth and profitablility of business partners. As on 31.03.2014, 95 industry Majors (IMs) with more than 900 vendors and 3,000 dealers across the country have been migrated to the electronic facility under the e-VFS/e-DFS platform

Financial Institutions Business Unit (FIBU): FIBU, a dedicated vertical created for capturing potential business opportunities from financial institutions viz. Banks, Mutual Funds, Insurance Cos., Brokerage firms and NBFCs.

Capital Market Branch (CMB), Mumbai under FIBU, a specialised branch catering to Capital Market business and Brokers was given the award of being one of the 'Top Performers in BSE in Primary Market segment' by Bombay Stock Exchange for the third consecutive year. CMB has also acted as 'Bankers to Issue/Refund Banker' and mobilised over ₹18,000 crores in FY 2014.

Project Finance & Leasing SBU (PFSBU)

Exhibit 14: Business Performance (₹ in crores)

	2012-13	2013-14
Project Cost	1,66,299	1,23,601
Project Debt	88,033	84,667
Sanctioned Amt.	24,119	16,408
Syndication Amt	33,454	13,438

PFSBU deals with the approval and arrangement of funds for large projects in infrastructure sectors like power, telecom, roads, ports, airports, as also other non-infrastructure projects in sectors like metals, cements, oil & gas, among others, with certain threshold on minimum project cost. PFSBU also provides support to other verticals for vetting their large ticket term loan proposals. In order to strengthen the policy/ regulatory framework for financing infrastructure, inputs are also provided to various ministries of Govt. of India, Planning Commission, RBI etc. in respect of lenders' views on new policies, Model Concession Agreements, issues being faced in infrastructure financing, etc.

Business Performance of PFSBU: As on 31.03.2014, the portfolio of infrastructure projects under implementation and control with PFSBU involves Power projects with aggregate capacity of 49,335 MW; Telecom Projects serving 250 million subscribers; Road projects covering 5,565 kms; new Ports to handle 45 MTPA multi- purpose cargo and 1.2 million TeU of container capacity; Metro Project in Hyderabad besides a host of projects in steel, cement, Urban Infra, etc. During the year, a total (FB+NFB) of ₹9,691 crores (₹12,884 crores in FY13) were disbursed to these projects.

From the perspective of environment sustainability, the Bank has also been laying emphasis on the renewable sector in power generation and loans aggregating ₹1,253 Crores (FB Limit) have been sanctioned to 10 projects in wind/solar sectors with total capacity of 624 MW.

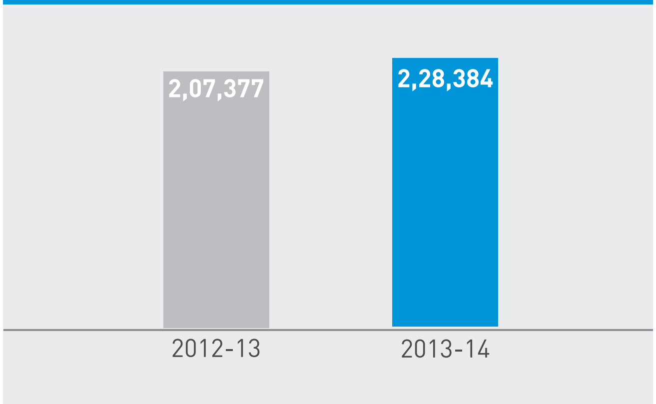
Exhibit 15: Significant deals during FY 2013-14

Projects	Details
Aircel Limited (Including Aircel Cellular Ltd, Dishnet Wireless Ltd. and Aircel Smart Money Ltd.)	To provide telephony services in 2G, 3G and Broadband services across country.
Petronet LNG Ltd Phase III – Dahej (Promoted by ONGC, BPCL, GAIL and IOCL)	Expansion of 5 MMTPA from existing 10 MMTPA facilities.
JSW Steel Ltd	Expansion of 1.5 MTPA integrated steel plant from existing 3 MTPA ISP at Dolvi, Maharashtra.
Tata Teleservices	To provide telephony services in 2G, 3G and data services on both GSM and CDMA technology across country.
Orient Cements	Greenfield 3 MTPA cement project (Promoter CK Birla group) at Gulbarga, Karnataka

C) Mid Corporate Group

The Bank's Mid Corporate Group (MCG) operates through its 14 regional offices across Ahmedabad, Bangalore, Chandigarh, Chennai (2), Hyderabad, Indore, Kolkata (2), Mumbai (2), New Delhi (2) and Pune, and has 62 branches as on 31st March, 2014.

Exhibit 16: MCG Loan Portfolio (₹ in crores)



MCG customers in Eastern India now have easier access to senior officials. This has also resulted in improved credit delivery, with a greater thrust on attracting good quality new business.

Two new MCG branches were opened during FY 2013-14 at Ludhiana (the second branch of the city) and Vijayawada, in order to fully tap the business potential at these centres. This increases the number of Mid Corporate branches from 60 to 62.

The Group continues to assist our customers in India to expand their activities and provides them support for acquiring assets/companies overseas, including by way of loans to overseas subsidiaries/JVs (backed by Letters of Comfort or Stand-by Letters of Credit). Over the years, the Group has helped many such acquisitions by Indian companies in USA, Europe, Australia and Africa, among others.

D) International Banking Group

The Bank's international banking network spans across 190 offices in 36 countries.

Exhibit 17: Business performance of Foreign Offices (In USD Million)

	31.03.2013	31.03.2014	YoY Growth	YoY Increase in (%)
Net Assets	42,146.10	45,192.98	3,046.87	7.23
Net Customer Credit	31,148.54	35,772.57	4,624.04	14.85
Deposits	13,374.41	14,758.33	1,383.93	10.35
Operating profit	660.35	676.41	16.05	2.43

Overseas expansion

The number of foreign offices increased from 186 as on 31st March, 2013 to 190 as on 31st March, 2014 spread across 36 countries. The offices include 52 branches, 8 Representative Offices, 110 offices of the 7 foreign banking subsidiaries and 20 other offices. During FY 2013-14, we have forayed into two new countries – in Botswana by establishing a subsidiary and in South Korea by opening a representative office.

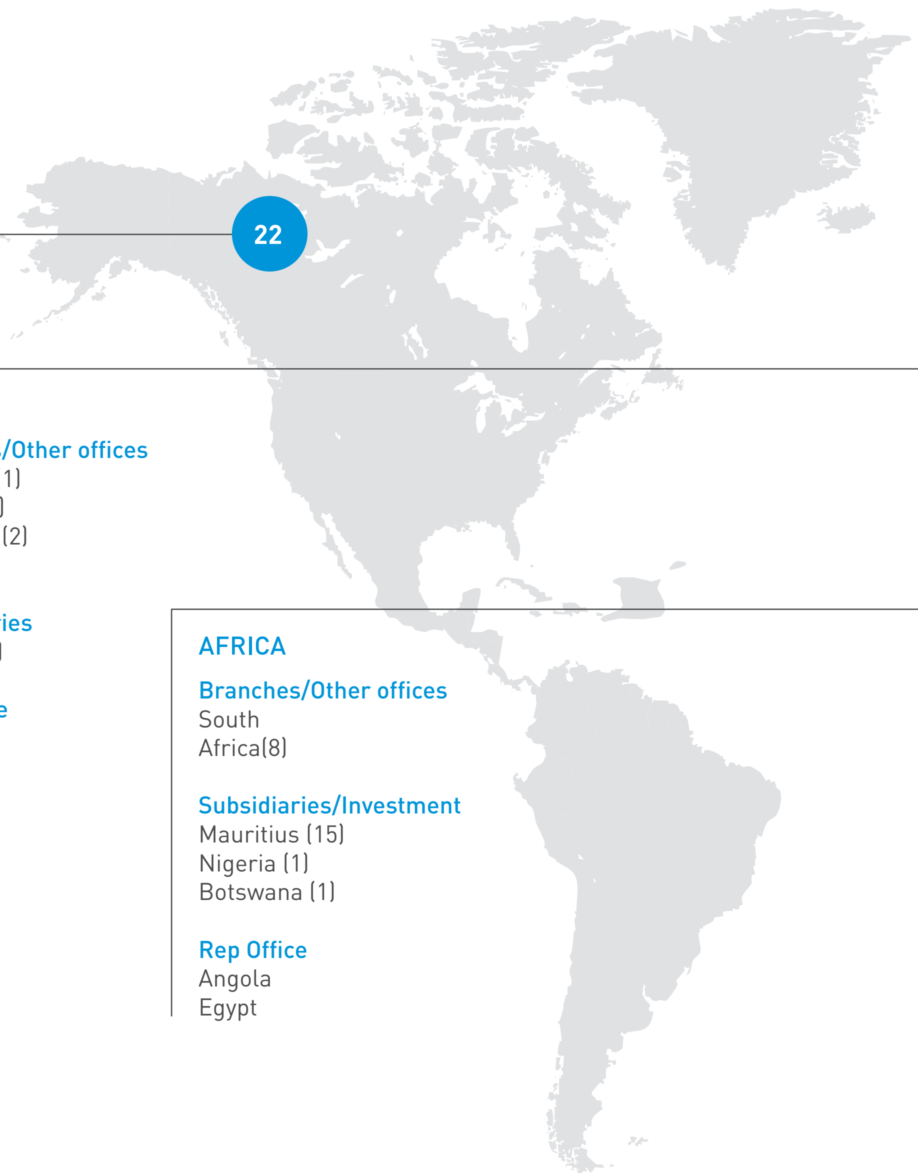
Exhibit 18: Break-up of foreign offices (No.)

	FY 2012-13	New offices opened during the year	FY 2013-14
Branches /Sales Office / Other Offices*	68	1 (1 closed)*	68
Subsidiaries (Figures included in offices)	(6)	(1)	(7)
Offices	107	3	110
Representative Offices	7	1	8
Associates /Managed exchange Cos/Investments	4	0	4
Total	**186**	**4**	**190**

* Maamigili sub-office in Maldives was upgraded to a Branch and Jackson Heights branch in the USA was closed.

STATE BANK OF INDIA - INTERNATIONAL BANKING GROUP

INTERNATIONAL BANKING NETWORK OF 190 OFFICES IN 36 COUNTRIES



NORTH AMERICA

Branches/Other offices
Bahamas (1)
USA (3)

Subsidiaries
California (10)
Canada (7)

Rep Office
Washington

EUROPE

Branches/Other offices
Belgium (1)
France (1)
Germany (2)
UK (11)

Subsidiaries
Russia (1)

Rep Office
Italy
Turkey

AFRICA

Branches/Other offices
South Africa(8)

Subsidiaries/Investment
Mauritius (15)
Nigeria (1)
Botswana (1)

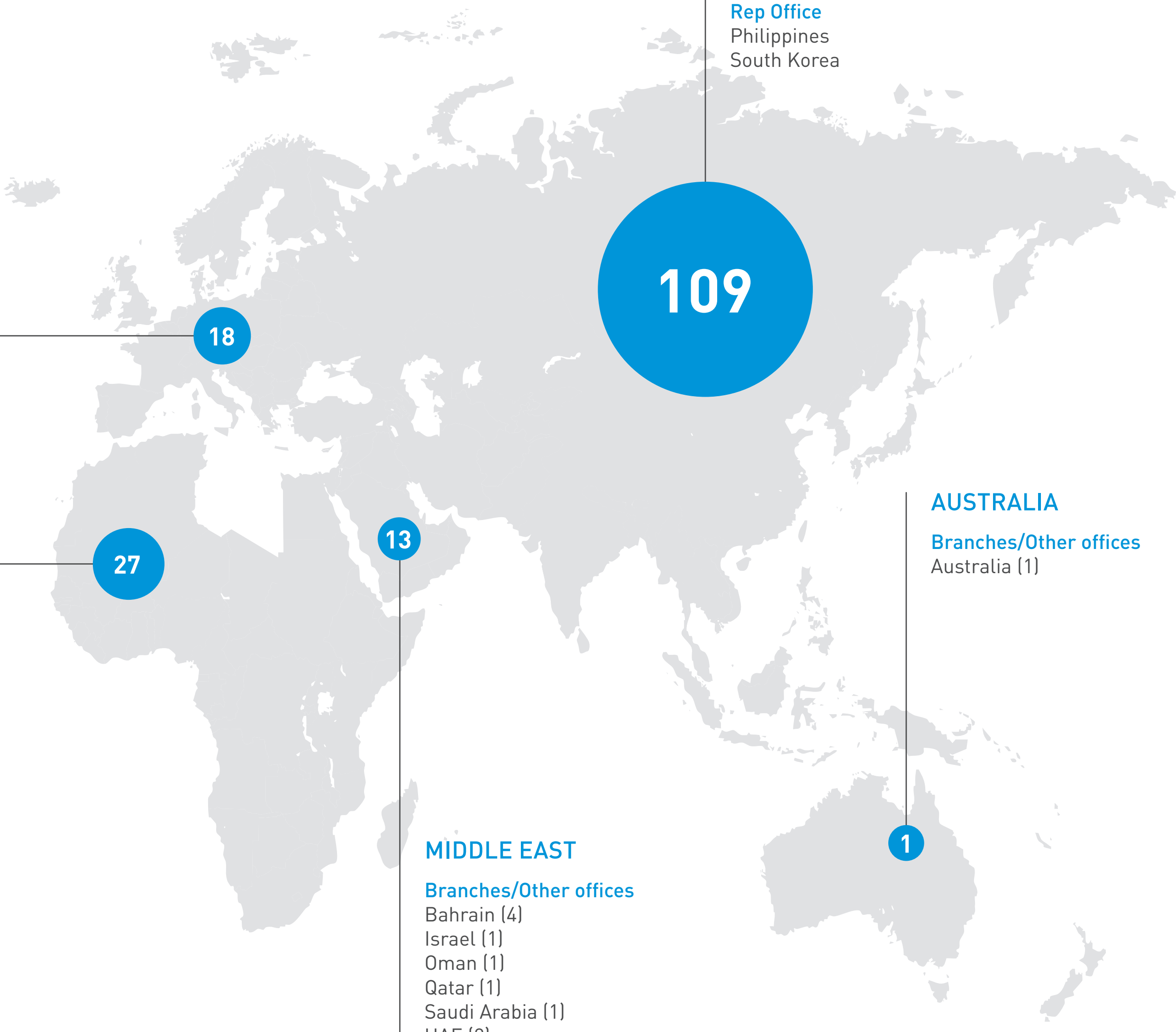
Rep Office
Angola
Egypt

EAST AND SOUTH ASIA

Branches/Other offices
Bangladesh (8)
China (2)
Hong Kong (2)
Japan (2)
Maldives (3)
Sri Lanka (6)
Singapore (7)

Subsidiaries/Associates
Indonesia (14)
Nepal (62)
Bhutan (1)

Rep Office
Philippines
South Korea



AUSTRALIA

Branches/Other offices
Australia (1)

MIDDLE EAST

Branches/Other offices
Bahrain (4)
Israel (1)
Oman (1)
Qatar (1)
Saudi Arabia (1)
UAE (2)

Rep Office
Iran

Managed Exchange Cos
Oman
Qatar

Treasury Management

The Bank's foreign offices maintained comfortable liquidity position during the fiscal, despite volatile market conditions. In April 2013, we successfully priced a USD 1 billion Bond issue, which is a 144A/Regulation S offering and will mature in April 2018.

In September 2013, SBI undertook a Bond Buy Back programme under which Bank bought back USD 147 million worth of April 2018 bonds.

Our foreign offices introduced a leverage product for NRIs in November 2013 to increase Foreign Currency Non-Resident Bank (FCNRB) deposits under the Special Swap window scheme of RBI. An amount of USD 2.518 billion was disbursed to NRIs at Foreign Offices under this scheme.

Remittance

Inward remittances grew from ₹69,812 crores in FY 2012-13 to ₹86,817 crores in FY 2013-14 (24%). Tie-ups with 30 exchange companies and six banks in the Middle-East Countries for routing remittances through our Bank have substantially contributed to increased inward remittances.

Domestic Operations

Merchant Banking

The Bank retained its premier position as Mandated Lead Arranger and Book Runner for syndicated loans in Asia Pacific (ex-Japan) for the eighth consecutive calendar year ending December 2013 and sustained its lead position in January-March 2014 period too.

During 2013-14, we acted as the Mandated Lead Arranger in 18 deals aggregating USD 11.926 billion for several leading Indian corporates like Tata Steel Canada Capital Ltd., IOCL, HPCL, OIL, ONGC Videsh, REC, ONGC Mangalore Petrochemical Ltd., Reliance Industries, HDFC Ltd., IDFC Ltd. and Yes Bank.

Exhibit 19: Syndicated Loan Deals

	No. of Deals	Amount (in USD bn)
FY 2012-13	17	6.292
FY 2013-14	18	11.926

Apart from this, we extended 23 foreign currency facilities aggregating USD 4.611 billion to Indian corporates on a bilateral basis. We also acquired 5 loans amounting to USD 120.00 million through the secondary market.

The Bank earned a fee income of USD 79.70 million from foreign currency term loans concluded during FY 2013-14 through syndication/ bilateral deals.

Global Link Services (GLS)

Global Link Services (GLS), a specialised outfit, caters to centralised processing of Export Bills collection, Cheque collection and online inward remittance transactions.

During FY 2013-14, GLS (on behalf of domestic branches) handled 75,177 export bills and 58,248 foreign currency cheque collections aggregating USD 13.20 billion. In addition, it handled 78,49,396 online inward remittance transactions amounting to USD 6.10 billion received globally.

During FY 2013-14, the Bank launched a new online instant remittance product 'Sri Lanka to India – SBI Flash' for remittances from Sri Lanka to India. GLS has also developed a platform for cross border remittances from Gulf to Bangladesh/ Nepal/ Sri Lanka.

Correspondent relations

The Bank maintains correspondent banking arrangement with 385 reputed International Banks across 113 countries in order to extend seamless services to varied clients. Along with the correspondent banks, we also have more than 1,725 Relationship Management Application (RMA) arrangements with Society for Worldwide Interbank Financial Telecommunication (SWIFT), facilitating speedier flow of financial messages.

E) Global Markets Operations

Global Markets Group performs the treasury functions of the Bank, ensuring safety, liquidity and yield, besides maintaining statutory reserve requirements. The corpus under management of Global Markets increased by around 20% Y-o-Y to ₹4,70,000 crores. Further, Global Markets Group provides foreign exchange services and hedging instruments for risk management to customers. It also offers portfolio management services to many retirement funds.

Exhibit 20: 10-Year Gsec Yield (%)

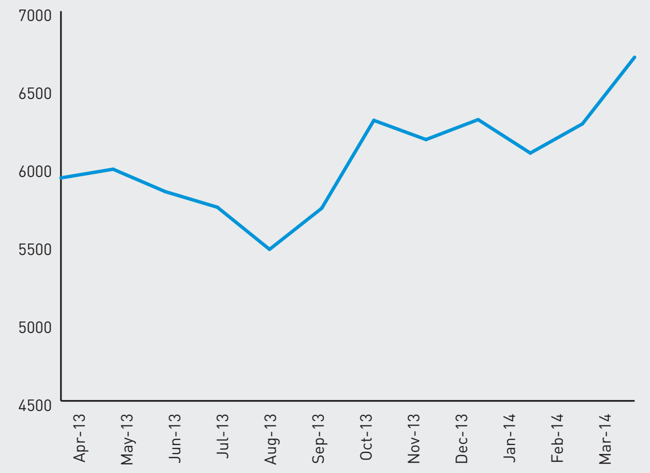
The FY 2013-14 started on a positive note with RBI cutting the repo rate by 25 bps to 7.25% in May 2013. The 10 year benchmark yield fell from 8.01% in April 2013 to 7.09% in May 2013. However, conditions deteriorated for Indian financial markets after Federal Reserve's announcement of its intention to taper QE purchases which led to a sharp depreciation of the rupee.

The Reserve Bank of India (RBI) announced unprecedented measures like capping Repo borrowing to 0.5% of NDTL and increasing MSF rate by 200 bps to 10.25% which led to a sudden surge in bond yields to 9.48%. Conditions improved from October 2013 onwards with RBI gradually reversing many of the tightening measures and injecting liquidity into the financial system through term repos. As RBI remained focused on inflation control, benchmark yields closed the year at elevated levels.

During FY 2013-14, the Bank made record profit of ₹1,846 crores from sale of investments as against ₹180 crores in FY 2012-13. Moreover, in the area of cash management, we have consistently outperformed peer banks in CRR maintenance by about 270 basis points, resulting in interest cost savings of over ₹100 crores.

Equity markets witnessed a rally from September on improvement in macroeconomic parameters like stable exchange rate and current account deficit buoying FII inflows. During FY 2013-14, the Bank's active equity portfolio (excluding Non Performing Investments) yielded a cash flow return of 22.73% against a Nifty return of 17.12%. If we reckon the dividend income, the return improves further to 25.56%. During the year, the Bank participated in select Equity MFs, IPOs, Offers for Sale and FPOs.

Exhibit 21: Nifty Performance Trend



The Bank continued to explore opportunities in the area of private equity and venture capital fund investments. During FY 2013-14, investments of ₹345 crores were made in different venture capital and private equity funds.

Global Markets provides foreign exchange solutions to the customers in all currencies for managing their currency flows and hedging risks through options, swaps, forwards and bullion services. As part of its continuous endeavour to provide enhanced services to its customers, the Bank has also introduced digital signatures for its corporate customers. The Bank also leverages a world class technology platform to seamlessly process currency flows between its customers through branches and the dealing room.

The treasury marketing outfits complement this by engaging with customers to provide them with inputs about markets and suggesting products to suit their requirements. The Bank earned an income of over ₹1,470 crores (from domestic operations) by covering the customer flows in foreign exchange, hedging, gold, and proprietary trading.

Global Markets also manages FCNR(B) corpus of the Bank and provides funds for Export Finance in Foreign Currency and FCNR(B) loans in foreign currencies for the customers in India.

The Bank provides portfolio management services to an array of retirement funds in the country consistently giving superlative returns. The Portfolio Management Services section, with an AUM of over ₹2,79,000 crores has consistently outperformed private sector peers in generating returns for the Employees Provident Fund Organisation (EPFO) funds. For the last three years, your Bank has been consistently adjudged as the best fund manager for EPFO.

The Bank was ranked the 'Best Local FX Bank in India' in Asiamoney's 25th anniversary Poll of Polls for its consistently stellar performances in Asiamoney's annual polls.

I.2 New Businesses

A dedicated department develops and launches initiatives in emerging business areas, including tech-based products. Some key initiatives are:

Debit Card

State Bank Group (SBG) continues to lead Debit Card issuance in the country with over 150 million Debit Cards as on 31st March, 2014 and over 40% market share.

Spending by debit cardholders of the SBG across 'Point of Sale' and 'e-Commerce' transactions crossed ₹22,407 crores in FY 2013-14. We have introduced some significant offers like the '3-Swipe Campaign' during August-September, 2013 and 'Shop Big and Gain Big' campaign in collaboration with SBI Card (subsidiary), in October-November, 2013.

Prepaid Card

The Bank's product range includes the following Prepaid Cards to cater to various payment needs of its customers:

- **Foreign Travel Card:** The Foreign Travel Card, now a chip based EMV compliant Card, is available in 8 currencies, US Dollar (USD), Great Britain Pound (GBP), Euro, Canadian Dollar (CAD), Australian Dollar (AUD), Japanese Yen (JPY), Saudi Riyal (SAR) and Singapore Dollar (SGD), providing safety, security and convenience to overseas travellers. We have also introduced corporate variants of State Bank Foreign Travel Card (SBFTC) to cater to the needs of corporate employees travelling overseas. Sales stood at USD 83.34 million in FY 2013-14.

- **eZ- Pay Card:** The eZ- Pay Cards are aligned with most of the social schemes of the State and Central Governments in addition to salary payments by corporate entities, thus benefitting millions of households. Sales stood at ₹829.19 crores in FY 2013-14.
- **Gift Card:** Gift Cards are a preferred option for consumers to gift the 'Freedom of Choice' to their loved ones. Customers can purchase Gift Cards online. Sales stood at ₹128.73 crores in FY 2013-14.
- **State Bank Achiever Card:** Rolled out in November 2013. This is a re-loadable Corporate incentive Card with a validity of 10-years for disbursement of incentives/ awards.
- **Smart Payout Card:** We launched the Smart Payout Card, a reloadable Card, on 27th April, 2013, for blue collar workers and contract labourers, among others. This Card can also be issued as an 'Add-on Card' to our savings Bank account holders. Sales stood at ₹15.19 crores in FY 2013-14.

Merchant Acquiring Business (MAB)

The MAB division aims to activate more than 150 million SBG Debit Cards on POS terminals, increase visibility and create a comprehensive electronic infrastructure in the country. We are already the largest player among Public Sector Banks with around 1,35,853 terminals (as on 31st March, 2014) in the market. We are also the 4th largest Acquirer in India and have entered into corporate tie-ups with many prominent players, including top educational institutions and hospitals as we continue to tap the huge potential available in the market. During the year the Bank has also launched Mobile POS on a pilot basis and will be rolling it out on a pan-India basis in the next few months.

Mobile Banking Service

The Bank is the market leader with a market share of 57% in transaction volume and 17% share in terms of value.

During 2013-14, financial transactions worth ₹3,763 crores were executed through the Mobile Banking Service, resulting in an income of ₹6.43 crores.

Green Channel Counter (GCC)

The Bank has launched the GCC facility in all retail branches (14,981 branches) to enhance convenience to the customers and save on cost and time per transaction. More than 360,000 transactions are taking place on a daily basis through these counters.

Self Service Kiosk (SSK)

The Bank has 1,352 SSKs as on 31st March, 2014 enabling more than 55,000 transactions daily.

Green Remit Card (GRC)

The Bank introduced GRC, a remittance card, on 2nd January, 2012 for facilitating large number of non-home cash deposit transactions at our branches. A cardholder can swipe the card at GCC or at Cash Deposit Machines (CDM) and remit money to the beneficiary whose account number is mapped to the card. Once the transaction is completed, both the remitter and beneficiary get a confirmation through SMS. The Bank has issued more than 48,00,000 cards resulting into 1,81,00,000 transactions as on 31st March, 2014.

State Bank Aggregator Service (SBIePay)

The Bank has launched 'SBIePay', a payment aggregator service, which facilitates e-Commerce/ m-Commerce transactions among merchants, customers and various financial institutions for all kinds of e-Commerce payments. The Bank's Chairman, Smt Arundhati Bhattacharya, launched the service at Corporate Centre, Mumbai on 13th March, 2014. The new service will go a long way in providing our customers with online payment facilities.

I.3 NPA Management

A depressed macro-economic environment in FY 2013-14 led to increased loan defaults with deterioration in asset quality of Indian banks. Slippages have occurred across all sectors and today, resolution of NPAs is the single largest challenge before all banks.

Stressed Assets Management Group (SAMG) is a dedicated and specialised vertical, headed by a Deputy Managing Director, created specially to efficiently resolve high value NPAs. Today SAMG has 16 SAMG branches and 43 SARBs across the country. Currently, SAMG covers 23.79% and 54.33% of the Bank's Non Performing Assets (NPAs) and Advances under Collection Account (AUCA) respectively. The recovery efforts of SAMG are supplemented by efforts put in by front-line operating staff at our 15,869 branches across the country. Besides, Account Tracking & Monitoring (AT & M) Centres have been operationalised in all Circles to contact retail Special Mention Accounts (SMAs) and NPAs. Business Correspondents, Business Facilitators and Self Help Groups are also involved in recovery of Agricultural NPAs.

The sale of final assets to ARCs has resulted in reduction of NPAs by ₹3,590 crores and AUCA reversal of ₹1,092 crores. different strategies were adopted for achieving optimum sales level and price.

SAMG resorts to various strategies to resolve stressed assets. Some of these are enumerated below:

- Restructuring of both Standard assets and NPAs, either though the corporate debt restructuring mechanism or through a bilateral arrangement.
- Recovery through auction of assets using the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) route.
- Filing suits in Debt Recovery Tribunals and other Courts for recovery of dues.
- Identifying and engaging with strategic investors for takeover of stressed assets.
- Sale of NPAs to Asset Reconstruction Companies.
- Entering into One-Time Settlements with borrowers.

- Using Resolution Agents to take possession of properties mortgaged to the Bank and arranging for their auction.
- Using the e-auction platform to reach out to as many prospective bidders as possible.
- Considering Debt Asset swaps in some cases.
- Engaging investigation agencies to trace out unencumbered promoter and guarantor assets and obtaining attachment before judgements over these properties.
- Identifying Companies and promoters as Wilful Defaulters and arranging for display of their names on the websites of Credit Information Companies such as CIBIL. These names are also reported to the RBI.
- Publishing photographs of defaulters in newspapers where warranted.
- Persuading Large Corporate borrowers under stress to sell non-core assets, dilute their shareholding and bring in strategic investors thus reducing debt and improving viability.

Asset Quality Improvement measures for P-Segment

- The Special One Time Settlement (OTS) scheme for the National Lok Adalat/Bank Adalat to settle NPA accounts has been used diligently.
- SMSes are being sent to borrowers: (i) Seven days before EMI due date, (ii) One day before EMI due date, and (iii) After EMI due date.
- The scope of Bank's Contact Centre at Baroda and telecalling centre at SBI Cards/GE, Gurgaon has been expanded to encompass soft recovery follow-ups of all P-Segment Loans.
- A tie-up has been made with Shriram Automall India Limited (SAMIL) to assist operating functionaries in seizure and auction of vehicles.
- Use of Loan Origination Software (LOS) has been made mandatory for Auto Loans and Personal Loans (except Loan against Time Deposits, P-Segment Gold Loans and Education Loans) and its integration with the Risk Scoring Model (RSM) and CIBIL check to take care of many process related risks.

Asset Quality Improvement measures for Agriculture loans

- As far as agriculture loans were concerned, various One-Time Settlement Scheme (OTS) schemes like 'OTS Scheme for Tractor Loan', 'OTS Scheme for ATL' were rolled out for quick resolution of hardcore NPAs in Agri term loans. These schemes resulted in a recovery of ₹378 crores during FY 2013-14.
- **Campaigns launched:** 'KCC (Zero NPA) Campaign' was launched to drive renewal of overdue KCCs with the objective of arresting NPAs accretion and reduction. Over 16.57 lakhs KCCs in the likely stressed category were renewed. Kitna Baki Hai campaign was launched during December 2013 to drive daily monitoring of KCC renewal position through SMS based reporting to reach KBN (Kuchi Baki Nahi).
- Green Power represents an innovative scheme to improve loan recovery culture among farmers by rewarding the villages with solar street lights under corporate social responsibility.

Asset Quality Improvement measures for Corporate accounts

- The asset quality of CAG remained well under control with the gross NPAs at 0.99% of total advances. About 87% of CAG's portfolio is investment grade with 40% carrying the highest rating from the external rating agencies.
- Mid corporate segment has been more severely affected by the economic downturn, leading to deterioration in asset quality. The Non Performing Assets (NPAs) of MCG have increased from ₹18,443 crores in March 2013 to ₹32,715 crores in March 2014. To tackle this issue, the Group has strengthened the processes of appraisal/sanction, follow-up and supervision. Every effort is made to improve the asset quality through regular engagement with promoters of weak/ stressed accounts.

The Bank has formed various committees headed by Chairman/ Managing Directors/ Deputy Managing Directors/ Chief General Managers/ General Managers/ Deputy General Managers to periodically review stressed assets and suggest resolution strategies.

SAMG has brought in substantial recoveries in high value NPAs and some decades-old dues during FY 2013-14 due to its specialised attention and concerted efforts. Despite a harsh environment last year, we achieved a deceleration in NPA accretion due to SAMG's relentless efforts along with the support of SAMBs/ SARBs/ SARCs.

This was particularly evident during Q4 of FY 2013-14 when Gross and Net NPA percentages were brought down by 78 basis points and 67 basis points respectively from the peak levels of 5.73% and 3.24% witnessed during the year. More details are furnished below:

Exhibit 22: NPA Management Performance (₹ in crores)

	FY 2011-12	FY 2012-13	FY 2013-14
Gross NPAs at the end of the year	39,676	51,189	61,605
Gross NPA%	4.44	4.75	4.95
Net NPA%	1.82	2.10	2.57
Fresh Slippages	24,712	31,993	41,516
Cash Recoveries/ Upgradations	9,618	14,885	17,924
Write Offs	744	5,594	13,176
Recoveries in Written Off Accounts	962	1,066	1,543

The SAMG and other recovery outfits of the Bank are fully geared to meet the asset quality challenges of FY 2014-

15 when near-term pressure is expected to continue. We are in the process of establishing an Early Warning System to identify incipient sickness and stress in loan accounts so that we can take in advance corrective action, including timely restructuring in deserving cases. This would prevent slippages and maintain good asset quality.

II. SUPPORT AND CONTROL OPERATIONS

II. 1 Information Technology

Core Banking Project

CBS environment has been benchmarked to support one billion accounts, over 250 million transactions in a day, and delivering a throughput of over 17,000 transactions per second. Biometric authentication as a second-factor authentication has been implemented in branches for all CBS users. The process for the systematic and proactive risk identification, assessment, measurement, monitoring and mitigation of various risks in the IT vertical has been initiated.

Alternate Channels

Exhibit 23: Alternate Channels Growth (Numbers)

As on	ATMs	Kiosks	Cash Deposit Machines (CDMs)	Total
31.03.2013	25,247	1,230	698	27,175
31.03.2014	40,768	1,231	1,516	43,515

ATM

State Bank of India, along with its Associate Banks has one of the largest ATM networks in the world with more than 51,491 ATMs including Kiosks and Cash Deposit Machines as on 31.03.2014. SBI has issued more than 17.04 crores Cards. The ATM Base 24 Switch has recently been upgraded to handle close to 50,000 ATMs.

The objective is to strengthen ATM facilities across every nook and corner of this vast country and enhance customer convenience. During 2013-14, SBI has installed 16,340 ATMs, a record in India's banking history for such a massive ATM rollout. The total number of ATMs (standalone) now stands at 43,515 as on 31.03.2014.

With 26% of market share in India's ATM population, SBI's ATM network transacts 38% of the country's total ATM transactions. On an average, over 70.00 lakhs transactions per day are routed through our ATM network. Our ATM network is one of the busiest in the country with average hit rate of more than 200 transactions per day per ATM. SBI has a Debit Card base (standalone) of 13.74 crores.

More than 1000+ ATMs have been enabled as Talking ATMs for Visually Impaired Customers during FY 2013-14, which took the total Talking ATM strength to 4,000+ as on 31st March, 2014.

Cash Deposit Machines (CDM): SBI is aggressive in rolling out CDMs for cash deposit by customers at these machines by using their ATM-cum-Debit card. As on 31.03.2014, the number of CDMs installed was 1,516. These CDMs are available to the customer 24 x 7 for their convenience.

INB & e-Commerce

Internet Banking

Internet Banking service is available through the Bank's website "https://www.onlinesbi.com". The Bank's internet banking solution is a comprehensive product for both retail and corporate users.

SBI e-Corner

The Bank's Net Banking Platform 'onlinesbi.com' provides secured and hassle-free on-line banking services to its retail and corporate customers, including PSUs and Government Agencies:

- This cost-effective channel has enabled 63.77 crores transactions during FY 2013-14, achieving 52% growth over the previous year.
- Our robust Retail Internet Banking platform has also been optimised for visually impaired customers.
- The Corporate Internet Banking is well suited to Small, Medium and Large Corporates in establishing traction with Government Treasury and Accounts Departments too.

During FY 2013-14, the Bank has established itself as a major player in the e-Commerce space:

- Through over 15,000 direct merchant tie-ups, through State Bank Collect or through private aggregators, the Bank has facilitated more than 42 crores e-Commerce transactions during the year.

- On-line collection of Taxes/ Fee/ EMD towards e-Trading/ e-Auction is being facilitated through the new Multi-Option Payment System (MOPS) interfaced with portals of PSUs, Corporations and Govt. Departments.

SBI was awarded seven out of nine awards in the IBA Banking Technology Awards:

The Best Technology Bank of the Year

Best Internet Bank

Best use of Mobile Technology

Best use of Technology in Financial Inclusion

Best Customer Management Initiative

Best use of Technology in Training and E-learning

Best use of Technology in Business Intelligence

IT - Foreign Offices

153 Foreign Offices of the Bank in 26 countries use the Finacle Core Banking solution along with a host of add on/surround applications to meet all the regulatory requirements besides providing high class customer experience.

Enterprise Data Warehouse

'Customer One View' is a solution for a 360 degree view of holdings with the Bank, including that of our Associates and Subsidiaries, namely, SBI Life, SBI Cards, SBI Mutual Funds made available to the Relationship Managers to enable them to offer better customer service. Also, a large number of predictive and analytic reports are regularly being generated by the DWH to aid business planning.

Networking

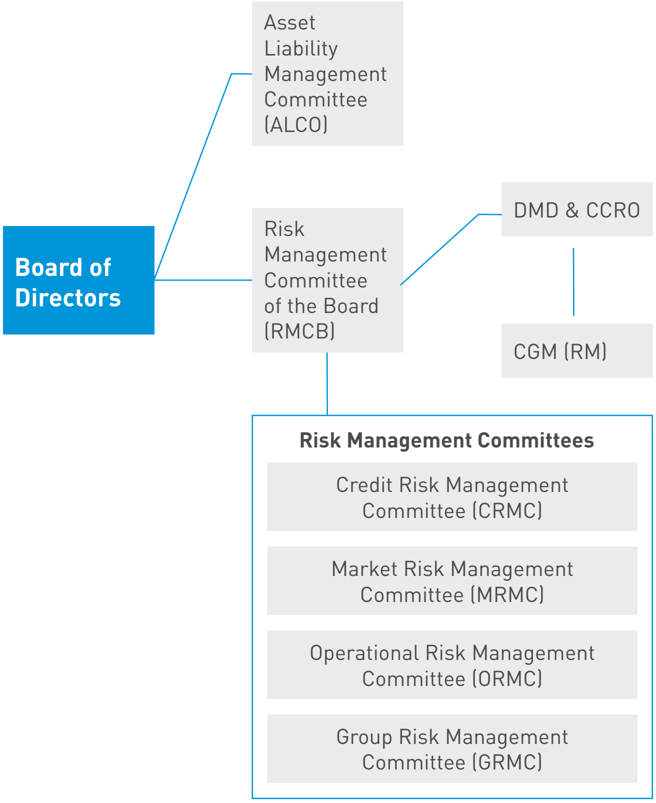
The Bank has implemented a secured, robust WAN architecture network connecting branches/offices and ATMs of State Bank Group through Leased lines and VSAT's. The Bank is in the process of migrating to Multi Protocol Label Switching (MPLS) architecture for improved network performance.

Corporate Web and Mail Services

Internal Social Media "SBI Aspirations" social software is designed to meet the needs of business and empowers bank's employees to be more innovative and productive, where creative ideas can be exchanged that can foster increase in business growth. Bank has made available its presence on External Social Media sites like Facebook, Twitter and YouTube for listening to and engaging with generation Y customers and general public.

II. 2 Risk Management and Internal Controls

Risk governance structure at SBI



An independent Risk Governance Structure, in line with international best practices, has been put in place, in the context of separation of duties and ensuring independence of Risk Measurement, Monitoring and Control functions. This framework visualises empowerment of Business Units at the operating level, with technology being the key driver, enabling identification and management of risk at the place of origination.

The Bank has in place a Country Risk Management Policy in tune with RBI guidelines. The policy outlines a robust risk management model with prescriptions for Country, Bank, Product and Counterparty exposure limits. Both Country-wise and Bank-wise 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 initiated periodically to safeguard the Bank's interests.

Credit Risk

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

Mitigation measures

- The Bank has strong credit appraisal and risk assessment practices in place for identification, measurement, monitoring and control of the credit risk exposures. The Bank uses various internal Credit Risk Assessment Models for assessing credit risk under different exposure segments. Internal ratings of the Bank are subject to comprehensive rating validation framework.
- Credit Risk Management Department (CRMD) studies 37 industries, including sectors, such as Telecom, Power, Coal, Aviation, NBFC, Textile, Iron and Steel and disseminates the reports to operating staff for informed decision-making. Specific studies on Companies/ Groups as required are also conducted.
- RBI has allowed the Bank to participate in the parallel run process for Foundation Internal Ratings Based (FIRB) under the Advanced Approaches for Credit Risk.
- The CRM project for migration to FIRB is being implemented by the Bank with guidance from an external Consultant appointed for the purpose.
- The governance structure has been made more robust for effective implementation of the FIRB and new policies related to the same have been approved by the Risk Management Committee of the Board (RMCB).
- Models for estimation of Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) have been developed.
- Bank regularly conducts Stress Test on its Credit portfolio and Stress Scenarios are regularly updated in line with RBI guidelines, Industry best practices and changes in macro economic variables.
- Credit Risk Management Committee (CRMC) and Risk Management Committee of Board (RMCB) meetings were held regularly.

Market Risk

Market Risk is the possibility of loss a Bank may suffer on account of changes in values of its trading portfolio, due to change in market variables, such as exchange rates, interest rates and equity price, among others.

Mitigation measures

- The Bank's market risk management consists of identification and measurement of risks, control measures, monitoring and reporting systems.
- The Bank has Board approved policies pertaining to the said risks for Trading in Foreign Exchange, Derivatives, Interest Rate Securities, Equities and Mutual Fund. Market risks are controlled through various risk limits, such as Net Overnight Open Position, Modified Duration, Stop Loss, Management Action Trigger, Cut Loss Trigger, Concentration and Exposure Limits, among others as mentioned in the respective policies.
- Currently, market risk capital is computed under the Standardised Measurement Method (SMM). The Bank has submitted its Letter of Intent to the Reserve Bank of India to migrate to the Internal Models Approach (IMA) under the Advanced Approaches for market risk.
- IMA is a Value at Risk (VaR) based tool for monitoring of the Bank's trading portfolio. The VaR methodology is supplemented by conducting quarterly stress tests of the trading portfolio.
- The MRM project for migration to IMA is being implemented by the Bank with guidance from an external Consultant appointed for the purpose.
- SBI's Market Risk is monitored and reviewed by the Market Risk Management Committee (MRMC) and the Risk Management Committee of the Board (RMCB) which meet regularly.

Operational Risk

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

Mitigation measures

- The main objectives of the Bank's Operational Risk Management are to continuously review systems and control mechanisms, create awareness of operational risk throughout the Bank, assign risk ownership, align risk management activities with business strategy and ensure compliance with regulatory requirements, which are the key elements of the Bank's Operational Risk Management Policy.
- Important policies, manuals and framework documents in line with RBI guidelines on Operational Risk Management Framework (ORMF) for migration to Advanced Measurement Approach (AMA) are in place.
- The Bank has already submitted its Letter of Intent (LOI) to migrate to the Advanced Measurement Approach (AMA) under the Advanced Approaches for Operational risk.
- The ORM project for migration to AMA is being implemented by the Bank with guidance from external Consultant appointed for the purpose.
- The Bank-level Operational Risk Management Committee (ORMC) reviews the operational risk profile of the Bank periodically and recommends suitable controls/ mitigations for managing operational risk in the Bank. Risk Management Committees at Operational unit and Business unit level are in place.

Group Risk

Group Risk Management aims to put in place standardised risk management processes in Group entities. Group Risk Management Committee, a committee of executives, has been constituted under the chairmanship of the DMD and CCRO to oversee the management of risk functions across the Group entities.

Mitigation measures

- A quarterly analysis of risk-based parameters for Credit Risk, Market Risk, Operational Risk and Liquidity Risk, among others, is presented to Group Risk Management Committee/Risk Management Committee of the Board.
- Exposure limits for Large Borrower Exposure and Capital Market Exposure as per RBI have been adopted for the Group. In addition, limits for Unsecured Exposures, Real Estate and Intra-Group Exposures have been set by the Bank.
- A voluntary annual disclosure on Group Risk is part of the Bank's published Disclosures.
- The Group Internal Capital Adequacy Assessment Process (Group ICAAP) document includes an assessment of identified risks by Group entities, internal controls and mitigation measures, and capital assessment, under normal and stressed conditions. All Group entities, including Non-banking entities, carry out the ICAAP exercise and a Group ICAAP Policy is in place to ensure uniformity.
- To overhaul the Group Risk Management and adopt global best practices, the Bank has embarked upon a Group Risk Management Project recently.

Enterprise Risk

Enterprise Risk Management aims to put in place a comprehensive framework to manage various risks. It encompasses Global best practices like Risk Appetite, Risk Aggregation and Risk-based Performance Management System.

Mitigation measures

- For assessment of Pillar I risks and Pillar 2 risks, such as Liquidity Risk, Interest Rate Risk, Credit Concentration Risk, as well as adequacy of Capital and overall Risk Management practices under normal and stressed conditions, the Bank has comprehensive Internal Capital Adequacy Assessment Process (ICAAP) in place.
- As part of the Bank's Risk Management Project to transform its role into a Strategic function, aligned with Business Objectives, Bank has initiated the Enterprise Risk Management (ERM) module.

Information Security risk

Information Security risk seeks to establish stringent information security structure to prevent data loss and threats.

Mitigation measures

- The Bank has implemented a robust IT policy and Information System Security policy, which are in line with international best practices. These policies are reviewed periodically and suitably strengthened to address emerging threats.
- Regular security drills and employee awareness programmes are conducted to ensure security and increase awareness. Business Continuity Management Systems (BCMS) have been implemented at the Bank's Global IT Centre, Belapur. SBI is a forerunner in setting up of an in-house Security Operations Centre (SOC) for 24 x 7 x 365 monitoring of various attacks and threats on its IT infrastructure, which was made operational recently.
- Disaster Recovery Drills are conducted regularly as part of the implementation of the Business Continuity Management System (BCMS). The Business Continuity Exercise for the IT Systems during the financial year was held on 19th January, 2014. Critical IT Systems of the Bank are compliant with the International BCMS Standard – ISO 22301:2012.

Internal Controls

The Bank has in-built internal control systems with well-defined responsibilities at each level. It conducts internal audit through its Inspection & Management Audit Department. Audit Committee of the Board (ACB) exercises supervision and control over the functioning of the I & MA Department. The inspection system plays an important and critical role in identification, control and management of risks through the internal audit function, which is regarded as one of the most important components of Corporate Governance. The Bank carries out mainly two streams of audits – Risk Focused Internal Audit (RFIA) and Management Audit, covering different facets of Internal Audit requirement. The Bank's accounting units are subjected to RFIA. The Bank's Management Audit covers administrative offices and examines policies and procedures, besides quality of execution thereof.

Besides, the department conducts Credit Audit, Information Systems Audit (Centralised IT establishments & Branches), Home Office Audit (audit of foreign offices) and Expenditure Audit (at administrative offices) and oversee policy and implementation of Concurrent Audit (domestic and foreign offices) and Circle Audit. To verify the level of rectification of irregularities by branches, audit of compliance at select branches is also undertaken. During the period 01.04.2013 to 31.03.2014, 9,230 domestic branches/BPR entities were audited under the Risk Focused Internal Audit.

Risk Focused Internal Audit

I&MA Dept undertakes a critical review of the entire operations of audited units through RFIA an adjunct to Risk Based Supervision as per RBI directives. The domestic branches have been broadly segregated into three groups (Group I, II & III) on the basis of business profile and risk exposures. While audit of Group I branches is administrated by the Central Audit Unit (CAU), audit of branches in Group II and III category and Business Process Re-engineering (BPR) entities are conducted by 13 Zonal Inspection Offices, each of which is headed by a General Manager.

Management Audit

With the introduction of RFIA, Management Audit has been reoriented to focus on the effectiveness of risk management in the processes and the procedures followed in the Bank. Management Audit encompasses

Corporate Centre establishments / Circle Local Head Offices / Apex Training Institutions, Associate Banks and Regional Rural Banks (RRB) sponsored by the Bank. To enhance the effectiveness of Management Audit, periodicity has been reduced from the existing once in three years to two years.

Credit Audit

Credit Audit aims at achieving continuous improvement in the quality of Commercial Credit portfolio of the Bank through critically examining individual large commercial loans with exposures of ₹10 crores and above annually. 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. Credit Audit also carries out a review (Loan Review Mechanism) of all the pre-sanction and sanction process of all individual advances above ₹5 crores within 6 months of sanction / enhancement / renewal. During the period from 01.04.2013 to 31.03.2014, 8,623 accounts were subjected to on-site Credit Audit.

Information System Audit

All Branches are being subjected to Information System (IS) Audit to assess the IT related risks as part of RFIA of the branch. IS Audit of centralised IT establishments is carried out by a team of qualified officials. During the period from 01.04.2013 to 31.03.2014, IS audits of 49 centralised IT establishments were completed.

Foreign Offices Audit

During the period from 01.04.2013 to 31.03.2014, Home Office Audit was carried out at five branches, Management Audit at 05 Representative offices / Country Head Offices and 1 Subsidiaries / Joint Ventures.

Concurrent Audit System

Concurrent Audit System is essentially a control process, integral to the establishment of sound internal accounting functions, effective controls and overseeing of operations on a continuous basis. Concurrent Audit System is reviewed on an on-going basis in accordance with RBI directives, so as to cover the Bank's Advances and other risk exposures as prescribed by the regulatory authority. I&MA department prescribes the processes, guidelines and formats for the conduct of concurrent audit at branches and BPR entities. During the year, Concurrent Audit System has been revamped, along with the introduction of a web-based solution.

Circle Audit

Circle Audit, which is a delegated audit, covers low-risk areas, and is conducted between two RFIAs. This enables auditee unit to be better prepared for the RFIA. During the period from 01.04.2013 to 31.03.2014, 9,069 units were audited by the Circle Audit Department.

II. 3 Vigilance

The essential function of the Bank's Vigilance Administration is not only to check against non-compliance of rules and regulations by initiating suitable disciplinary action against serious transgressions, but also to devise and implement various preventive measures by reviewing the systems and processes to ensure higher effectiveness and least vulnerability.

The concept of vigilance as an investigative process and an exercise for punitive action has over time evolved to that of 'Vigilance for Corporate Growth', the emphasis getting shifted from punitive vigilance to 'Preventive and Proactive Vigilance' through an active participation of all concerned. Some of the Bank's important preventive measures comprise the following:

- Preventive Vigilance Committee (PVC) Meetings are being held at the branches and the BPR outfits at quarterly intervals.
- Under Whistle Blower Scheme, our staff members are expected to advise appropriate authorities about irregular and unethical practices, if any, being indulged in by colleagues and even seniors.
- Suo moto investigations are conducted at fraud/ complaint prone branches. The primary aim of such investigations is to find out non-adherence to the systems and procedures by the branch, which may lead to perpetration of fraud in future. Suitable corrective measures are initiated to stop irregular practices, if any, brought out in the report.

As on 31.03.2014, 1,024 cases of officers were taken up for examination under the vigilance category, compared to 1,160 cases during the previous financial year.

II. 4 Human Resources

The Bank has become an employer of choice in India and one of the most employee-friendly organisations today. HR audits and mammoth HR exercises now form critical strategies in change management to facilitate employee communication and develop a leadership pool by careful succession planning.

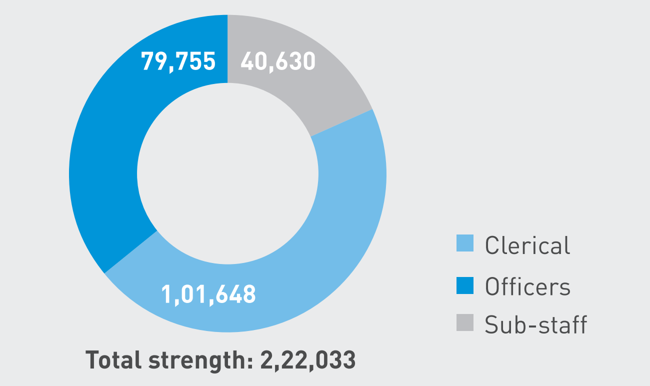
HR awards and accolades

- **Golden Peacock Award for HR excellence.**
- **World HRD Congress Award for Organisation with innovative HR Practices.**
- **World HRD Congress Award for innovation in Recruitment.**

Talent management is considered as an equally important facet of an organisation's effectiveness. Accordingly, our Bank has been making a constant endeavour to improve the functioning of HR as a strategic business partner.

Exhibit 24: People Strength (Nos.)

As on 31.03.2014



The Bank has a total permanent staff strength of 2,22,033 on 31st March, 2014.

Out of this, 79,755 (35.92%) are officers, 1,01,648 (45.78%) are clerical staff and the remaining 40,630 (18.30%) are sub-staff.

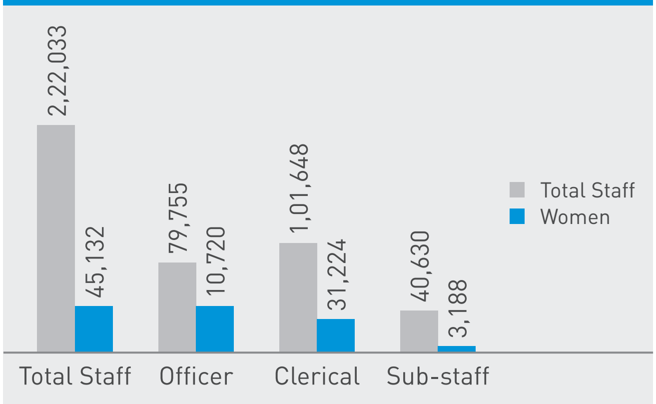
Exhibit 25: Movement of Staff

	Officers	Assistants	Subordinate staff	Total
As on 31.3.2013	80,796	1,09,686	37,814	2,28,296
Less: Retirements / Attrition	3,861	8,388	2,035	14,284
Add /Less (-): Due to promotion of clerical staff to officers grade	1,426 (+)	1,426 (-)	-	-
Add: New Addition	1,394	1,776	4,851	8,021
As on 31.03.2014	79,755	1,01,648	40,630	2,22,033

Women Employees in the Total Workforce:

At present, the strength of women employees in the total workforce of the Bank is 45,132 which constitutes more than 20% of the total staff strength. The composition of women employees in different cadre is as under:

Exhibit 26: Women Employees in the Total Workforce (Nos.)



Improvement in Employee Productivity

The large-scale recruitment of Gen-next employees in the Officers as well as in the Assistant grade over the last 3/4 years has not only brought about a far reaching attitudinal change among staff in their customer interface and services across the branches, it has also become a catalyst in enhancing/improving the productivity and efficiency of the employees, there by resulting in increasing growth in business and profitability for the Bank. The business per employee (BPE) has increased during the period from 2010-11 to 2013-14 as per data furnished below. In this connection, the profit per employee (PPE) has also increased from ₹3.85 lakhs in 2010-11 to ₹6.45 lakhs in 2012-13. However, the PPE has declined to ₹4.85 lakhs in 2013-14 primarily due to higher provisioning, increase in overheads and staff cost during the year. Further, various cost control measures / practices have been reiterated for adoption/compliance at all levels to improve the Bank's profitability.

Exhibit 27: Staff Productivity (Business per Employee) (₹ in lakhs)

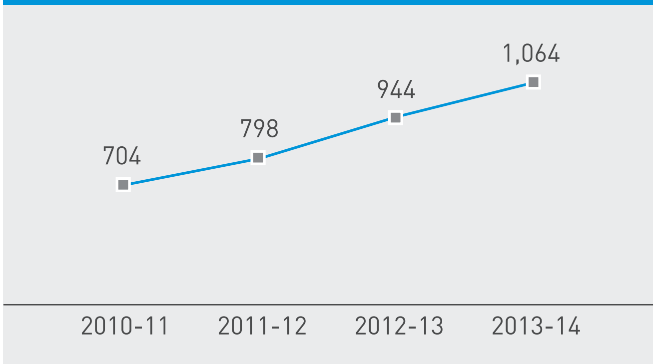
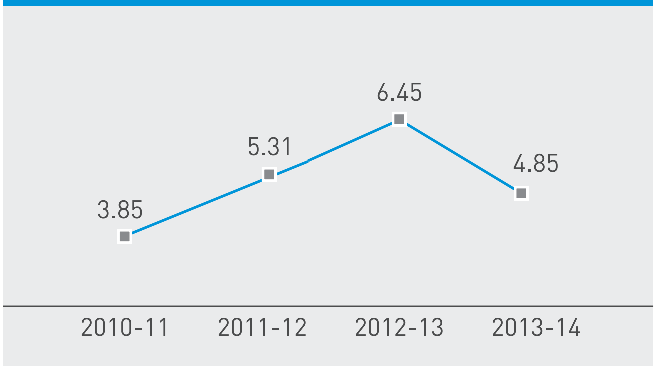


Exhibit 28: Staff Productivity (Net Profit per Employee) (₹ in lakhs)



A total of 1,394 Officers (1,246 Probationary Officers and 148 Specialists) and 1,776 Clerical staff joined the Bank during FY 2013-14.

Industrial Relations

Regular consultative meetings were held with the Associations/Unions as part of the constructive dialogue for understanding and addressing grievances of various categories of employees. These consultations are done both at Corporate Centre as also at Circles. Various issues raised by the Federations were examined on merits and necessary action was taken for its resolution.

Status of Women at workplace:

The existing policy of the Bank providing for protection against Sexual Harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto was revised / upgraded to incorporate the requirements as per the Act passed in Parliament. The Bank has a zero tolerance towards sexual harassment at workplaces and has put in place appropriate mechanism to ensure that women work with dignity and without fear.

Exhibit 29: Complaints of Sexual Harassment of Women filed & disposed off during FY 2013-14

Total No. of cases filed	Total No. cases disposed off
30	20

Other Initiatives

- The Bank has improved staff perquisites like provision of sabbatical leave for women and single men (with children and/or aged parents) employees
- The Bank has made a comprehensive review of promotion policies to take care of contemporary as well as future requirements. This will enable us to meet our succession planning needs by ensuring adequate exposure of officials to various aspects of Banking. These initiatives have motivated employees and improved their productivity, besides resulting in a healthy employer-employee relationship.

Exhibit 30: Reservation in employment

Category	Total	SC	ST	PWD
Officers	79,755	13,890 (17.41%)	5,645 (7.07%)	573 (0.71%)
Assistants	1,01,648	17,286 (17.00%)	8,755 (8.61%)	1,801 (1.77%)
Sub-staff	40,630	11,568 (28.47%)	2,843 (7.00%)	236 (0.58%)
Total	2,22,033	42,744 (19.25%)	17,243 (7.76%)	2,610 (1.17%)

The Bank provides reservation to Scheduled Castes, Scheduled Tribes & Persons with Disabilities (PWDs) as per Government of India (GOI) directives. Liaison Officers have been designated at all Local Head Offices of the Bank and the Corporate Centre at Mumbai in order to deal with issues relating to reservation policy and effectively redress the grievances of the SC/ST employees.

II. 5 Strategic Training Unit (STU)

Our training system functions under the overall supervision and guidance of STU and the training apparatus at present consists of 5 Apex training institutes and 47 Learning Centres. The sixth ATI, named the State Bank Institute of Management, is being set up at Rajarhat, New Town, Kolkata.

Principles that drive learning activities

- All employees undergo at least one institutional training during a year.
- Training programmes are aligned with current corporate priorities of the Business Units.
- A culture of self-learning is inculcated in every employee.
- Active promotion of online learning includes mandatory role-based lessons supported by Rewards and Recognitions.
- Under its Reward and Recognition Scheme, the Bank also actively encourages its employees to pursue various study courses offered by external institutes.

Highlights of achievements

- Trained more than 2,34,763 participants during 2013-14 covering 60% of Officials and 68% of award staff.
- Hosted 366 lessons, covering operationally relevant topics, in e-learning portal.
- Uploaded 219 short duration e-capsules (of 15 minutes each) for faster dissemination of knowledge among employees, especially frontline staff.
- Mobile nuggets (short study materials on mobile handsets) made available on pilot basis.
- Arranged video lectures on industry specific inputs for senior executives.
- Training for staff by hospitality industry.
- Trained all employees about gender sensitivity at workplace.

II. 6 Official Language

Staff members are being continuously trained in Hindi language to work in Hindi on computers for the purpose of Official Language implementation.

The Bank has made the content of corporate and internet sites available bilingually. Various staff manuals have been provided in Hindi on HRMS portal of the Bank. For the convenience of the customers, the material on SME portal of the Bank has been provided in Hindi. Providing information on different products and services in Hindi through LCDs installed in the branches has increased their popularity. The ATM hits in Hindi is rapidly increasing too.

The In-House Hindi magazine 'PRAYAS' of our Bank has been accredited with a grand achievement this year, on the occasion of Hindi Day, on 14th September, 2013.

PRAYAS

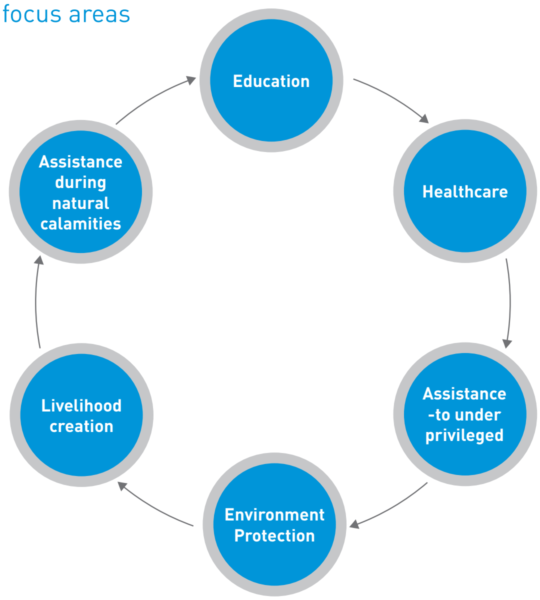
PRAYAS' was awarded as the best in-house magazine in 'B' region. The Bank was felicitated with the First prize at Vigyan Bhavan, New Delhi by the Hon. President of India. 'Prayas' also bagged Second Prize in RBI's In-House Hindi magazine competition and the Bank was conferred the Second Prize in the 'Indian Language Publication category' competition by the Association of Business Communicators of India (ABCI).

Chairman donating gifts to special children under CSR activity

II. 7. Corporate Social Responsibility (CSR)

Our CSR activity touches the lives of millions of poor and needy across the length and breadth of the country. The Bank has a comprehensive Corporate Social Responsibility (CSR) Policy, approved by the Executive Committee of the Central Board in August 2011 and earmarks 1% of the previous year's net profit as CSR spend budget for the year.

CSR focus areas



Focus areas of our CSR activities are:

- Supporting education.
- Supporting healthcare.
- Assistance to poor & underprivileged.
- Environment protection.
- Entrepreneur development programme.
- Assistance during natural calamities like floods/droughts etc.

Supporting Education :

- To support school education and provide relief from heat to millions of school children specially the under privileged children, Bank has provided 1,40,000 electric fans to 14,000 schools across the country during 2013-14.
- Infrastructure support by way of furniture, computers and other educational accessories and donation of large number of school buses/vans to the physically/ visually challenged children and children belonging to economically weaker section of society.

Supporting Healthcare :

- Bank donated 210 medical vans/ambulances with an expenditure of ₹18.38 crores during the year.
- Medical equipment have been provided at 90 centres worth ₹8.87 crores.
- Bank installed more than 30,000 water purifiers in schools ensuring clean & safe drinking water for millions of school going children.

Assistance during natural calamities:

During the current fiscal the Bank has donated ₹6.00 crores to the Chief Minister's Relief Fund of three states.

Green Banking:

- Bank has adopted energy efficient measures.
- SBI is the largest deployer of solar ATMs.
- Bank has installed windmills in three states for its own energy needs.
- Paperless Banking is promoted and implemented across the country.
- Gives project loans at concessionary rate of interest to encourage reduction of green house gases by adopting efficient manufacturing practices.

Research & Development Fund

The Bank makes an annual contribution of GBP 100,000 towards a Chair set up by the Bank jointly with RBI at the Asia Research Centre at London School of Economics. Our R&D Fund donations amounted to ₹1.03 crores during 2013-14.

SBI Children's Welfare Fund

The Bank constituted SBI Children's Welfare Fund as a Trust in 1983 which extends grants to institutions engaged in the welfare of underprivileged children like orphans, destitute, mentally/physically challenged, etc. The Corpus of the Fund is made up of contributions by staff members and matching contribution provided by the Bank. During the FY 2013-14, 12 projects were assisted with ₹34.70 lakhs.

CSR awards and accolades

- **The year FY 2013-14 witnessed the highest number of awards for the Bank in CSR achievements.**
- **Conferred Asia's Best CSR Practice Award, 2013 by CMO Asia in Singapore.**
- **Won an award for 'Best CSR Practices' at Asian BFSI Awards 2013 in Dubai.**

Other prominent awards conferred

- IPE BFSI Award 2013 for Best CSR Practices.
- India's Most Ethical Companies Awards 2013 for Ethical Company in Banking.
- Asia Green Future Leadership Award 2013 for 'Best Green Service Innovation'.
- My FM Stars of the Industry Award for excellence in Banking (PSU) 2013.
- News Ink Legend PSU Shining Award 2013.
- ABP News BFSI 2013 for Best CSR Practices Award.
- ABP News Global CSR Excellence & Leadership Award for Organisations with best CSR Practices.
- Blue Dart – Global CSR Excellence & Leadership Award for Best use of CSR Practices in Banking and Financial Sector.
- Global CSR Excellence & Leadership Award 2013.

III. ASSOCIATES AND SUBSIDIARIES

The State Bank Group, with a network of 21,977 branches (including 6,108 branches of five Associate Banks) dominates India's banking industry. In addition to banking, the Group, through its various subsidiaries, provides a whole range of financial services, including Life Insurance, Merchant Banking, Mutual Funds, Credit Card, Factoring, Security trading, Pension Fund Management, Custodial Services, General Insurance (Non Life Insurance) and Primary Dealership in the Money Market.

Associate Banks

The five Associate Banks of SBI had a Market share of 5.48% in deposits and 5.88% in advances as on last Friday of March 2014.

Exhibit 31: Performance Highlights of Associate Banks (Overall) (₹ in crores)

	As on 31.03.2014	As on 31.03.2013	Change (%)
Total Assets	5,18,255	5,04,556	2.72
Aggregate Deposits	4,33,091	4,17,657	3.70
Total Advances	3,63,402	3,40,321	6.78
Operating Profit	8,368	8,803	-4.94
Net Profit	2,777	3,678	-24.50
Credit Deposit Ratio	83.91%	81.48%	243bps
Capital Adequacy Ratio	11.20%	11.85%	-65bps
Gross NPA	18,211	11,589	57.14
Net NPA	10,719	6,143	74.48
Return on equity	9.77%	14.33%	-456bps

SBI Capital Markets Limited (SBICAP)

SBICAP is India's leading investment bank, offering financial advisory services to varied client base across three product groups – Infrastructure, Non-Infrastructure and Capital Markets (equity and Debt). These services include Project Advisory, Loan Syndication, Mergers and Acquisitions (M&A), Private Equity and Restructuring Advisory.

SBICAP (standalone basis), posted a PBT of ₹388.70 crores during FY 2013-14 compared to ₹418.39 crores during FY2012-13 and a PAT of ₹265.28 crores in FY2013-14 compared to ₹296.00 crores in FY2012-13.

SBICAP with its 5 subsidiaries, posted a PBT of ₹389.91 crores during FY 2013-14 compared to ₹444.37 crores during FY 2012-13 and PAT of ₹262.63 crores during FY2013-14 compared to ₹313.96 crores in FY 2012-13.

SBI Capital Markets Ltd. has decided to invest in equity of its subsidiary (SBICAP Securities Ltd.) to the tune of ₹50 crores in two tranches (25 crores each). The first tranche has been invested on 4th May, 2012 and second tranche was invested on 30th October, 2013.

SBICAP Industry Rankings• Ranked No. 1 Global Mandated Lead Arranger in Project Finance Loans by Dealogic

Ranked No. 1 Global Project Finance Bookrunner by Thomson-Reuters

Ranked No. 1 in the number of issues handled for the public issue of debt in FY 2013 by Prime

SBICAP Securities Limited (SSL)

SSL (wholly owned subsidiary of SBI Capital Markets Ltd.) offers equity broking services to retail and institutional clients both in cash as well as in futures and options segments. It also is engaged in sales and distribution of mutual funds and other financial products. SSL has 100+ branches and offers Demat, e-broking, e-IPO and e-MF services to both retail and institutional clients. SSL currently has more than 4.35 lakhs customers in their books. The Company registered gross revenue of ₹79.03 crores during FY2013-14 compared to ₹69.60 crores in FY2012-13. The Company has posted a net loss of ₹8.19 crores during FY2013-14 compared to a net profit of ₹2.42 crores during the FY2012-13. The loss was mainly on account of subdued capital markets and significant investments made in capacity building and technology for future growth.

SBICAPS Ventures Limited (SVL)

SVL is a wholly owned subsidiary of SBI Capital Markets Ltd. SVL has posted a loss of ₹0.35 crores in FY 2013-14 as against a net profit of ₹0.35 crores during FY 2012-13.

SBICAP (UK) Limited (SUL)

SUL (wholly owned subsidiary of SBI Capital Markets Ltd.) has booked total revenue of ₹3.61 crores and a loss of ₹0.56 crores in FY2013-14 compared to ₹17.26 crores and net profit of ₹10.76 crores during FY2012-13, due to global recessionary scenario.

SUL is positioning itself as a relationship outfit for SBI Capital Markets in UK and Europe. Strong relationships are being built with FIIs, Financial Institutions, Law Firms and Accounting Firms, among others to market SBICAP business products.

SBICAP Singapore Co. Ltd (SSGL)

SSGL (wholly owned subsidiary of SBI Capital Markets Ltd.) commenced business from December 2012, earned a gross income of ₹1.34 crores and a net loss of ₹2.93 crores during FY 2013-14 as against Nil gross income and net loss of ₹3.09 crores during FY 2012-13.

SBICAP Trustee Co. Ltd. (STCL)

STCL (wholly owned subsidiary of SBI Capital Markets Ltd.) commenced security trustee business from August 1st, 2008, earned a gross income of ₹20.74 crores and a net profit of ₹8.81 crores during FY 2013-14 as against ₹14.96 crores and a net profit of ₹7.52 crores during FY 2012-13.

SBI DFHI Ltd. (SBI DFHI)

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

SBI Group holds 72.17% share in the Company. In FY 2013-14, the Company's Profit before Depreciation and Tax was ₹104.37 crores in FY 2013-14 as against ₹99.45 crores in FY 2012-13. However, a 165 % increase in depreciation on stock in FY 2013-14 over previous year resulted in a net profit of ₹60.70 crores in FY 2013-14 compared to ₹80.29 crores in FY 2012-13.

Market share of SBI DFHI was 3.79 % among all market participants and 21.28% among standalone PDs as on March 2014.

SBI Cards & Payments Services Pvt. Ltd. (SBICPSL)

SBICPSL, the standalone credit card issuing company in India, is a joint venture between State Bank of India and GE Capital Corporation, wherein SBI holds 60% stake.

- SBICPSL is the 3rd largest in the industry in terms of Cards in force (15% market share) with a base of 28.6 lakhs as at 31.03.2014 as compared to 13% market share with a base of 25.2 lakhs as at 31.03.2013. The Company has 11% market share in terms of retail spends in FY 2013-14, showing substantial improvement from 9% in FY 2012-13.The Company's net profit has increased by 115% to ₹293 crores in FY 2013-14 from ₹136 crores in FY 2012-13. Primarily driven by asset based revenue growth, increased premium card penetration and better portfolio management. It has achieved a 44% growth in total spends to ₹16,259 crores in FY 2013-14.
- It launched a new co-brand with 'AIR INDIA' which is amongst the most attractive aviation co-brand card in the country.
- It has also launched a new co-brand with 'Bharatiya Mahila Bank' named BMB Card. This card offers exclusive previews to the best deals, reward points and discounts across travel and shopping.
- SBI Cards has been awarded with Readers Digest Award for 'Most Trusted Credit Card Brand' in June 2013.

Award for social media

It received CMO Asia Award for 'Best Use of Social Media in Marketing' and Master Card award for 'Best Use of Social Media'.

SBI Life Insurance Company Limited (SBILIFE)

SBILIFE is a Joint Venture between State Bank of India and BNP Paribas Cardif in which SBI holds 74% stake.

- SBILIFE has a unique multi-distribution model comprising Bancassurance, Retail Agency, Alternate, Group Corporate and Online Channels for distribution of insurance products.
- SBILIFE continues to be the leader in private sector in terms of New Business Premium in FY 2013-14.

- SBILIFE has recorded an increase in individual new business premium Annual Premium Equivalent (APE) by 17.7% to ₹2,811 crores during FY 2013-14.
- The Company recorded a 19% (Y-o-Y) increase in PAT to ₹740 crores in FY 2013-14.
- Assets under Management recorded a Y-o-Y growth of 12.7% to reach ₹58,480 crores as on 31.03. 2014.

Leveraging wider reach achieved through its 762 branch network, SBI Life has systematically brought large rural areas under insurance. The Company has sold 23.4% of total policies in this segment in FY 2013-14. A total of 79,463 lives covered by SBILIFE are from the underprivileged social sector. The Company has been substantially exceeding the minimum social and rural regulatory norms.

Among many CSR initiatives undertaken during the financial year, the Company extended educational support towards under privileged children across the country, partnering with its CSR partner 'Smile Foundation'. SBI Life's corporate ethos is about giving back to the society with the objective of making a difference in the lives of the needy.

Leveraging wider reach achieved through its 762 branch network, SBI Life has systematically brought large rural areas under insurance. The Company has sold 23.4% of total policies in this segment in FY 2013-14. A total of 79,463 lives covered by SBILIFE are from the underprivileged social sector.

Awards bestowed on SBILIFE in FY 2013-14

Awards the Best Life Insurance Provider 2013 (Runner Up) by Outlook Money

Most Trusted Private Life Insurance Brand 2013 by The Economic Times, Brand Equity and Nielsen Survey

Global Performance Excellence Award 2013 by Asia Pacific Quality Organisation. Digital Inclusion Skoch Awards 2013 – Enabling partners to collect premium through Electronic Fund Transfer – Cash & Direct Debit

Communication Excellence Award 2013 at 4th CMO Asia Awards

SBI Life recognised amongst Top-50 Great Places to work

Awards at the World HRD Congress - Dream Company to Work for 2014 in Private Insurance, Dream Employer of the Year-2014 – Ranked 4th and Employer Branding Award 2014' for Talent Management

Training Provider of the Year by Asia's Training & Development Excellence Awards 2013

SBILIFE introduced several new products during FY 2013-14, in line with IRDA guidelines, to cater to diverse financial needs of a family. These products include: Pure Protection Plans – Smart Shield and Saral Shield; Online Product – eShield; Guaranteed Income Plans – Smart Wealth Builder and Flexi Smart Plus; Money Back Plan - Smart Money Back Gold; Retirement Plans – Retire Smart and Saral Pension; Child Plan – Smart Scholar; Variable Plans – CapAssure Gold, Flexi Smart Plus.

SBI Funds Management (P) Ltd. (SBIFMPL)

SBIFMPL, the Asset Management Company of SBI Mutual Fund, is the 6th largest Fund House in terms of average 'Assets Under Management' and is a leading player in the market with over 5 million investors.

- SBIFMPL posted a net profit of ₹155.57 crores during FY 2013-14 compared to ₹85.68 crores in FY 2012-13. The Company mobilised over ₹8000 crores in debt funds. SBIFMPL opened 51 new branches beyond top 15 cities across 23 states and one Union Territory, first by any Mutual Fund House in India, which takes Mutual Fund asset class to pan-India investors.
- The average Assets Under Management (AUM) as on 31.03. 2014 stood at ₹65,499 crores with market share of 7.24% as against ₹54,905 crores with market share of 6.72% as on 31.03.13, registering YoY average AUM growth of 19.20%.

SBI Global Factors Ltd. (SBIGFL)

SBIGFL is a leading provider of factoring services for domestic and international trade. Factoring is a globally accepted mechanism for conversion of sales receivables into cash.

- The Company's services are especially suitable for MSME clients for freeing up resources locked in book debts. By virtue of its membership of Factors Chain International (FCI), it is able to ameliorate credit risk from export receivables under the 2 factor model.
- Notwithstanding challenges in growing top line and improving asset quality in the prevailing economic slowdown, registering an operating profit of ₹53 crores during FY 2013-14.

- The Company is adequately capitalised with AAA/ A1+ ratings from reputed rating agencies for its borrowing programmes.

SBI Pension Funds Pvt. Ltd. (SBIPF)

SBIPF is one of the three Pension Fund Managers (PFM) appointed by Pension Fund Regulatory & Development Authority (PFRDA) for management of Pension Funds under the National Pension System (NPS) for Central Government (except Armed Forces) and State Government employees. SBIPF(wholly owned subsidiary of the State Bank Group, commenced its operations from April 2008.

- SBIPF's total Assets Under Management as on 31.03.2014 stood at ₹18,624 crores (YoY growth of 58 %). The Company maintained lead position amongst Pension Fund Managers (8) in terms of AUM in both Government and Private sectors. Overall AUM market share in Private sector was 73%, while in the Government sector it was 36%.
- SBIPF has maintained lead in 6 asset categories in terms of returns since inception.

Awards bestowed on SBIPF in FY 2013-14

Adjudged 'Pension Fund of the Year – 2013' (second time in a row)

Conferred 'Corporate Leadership Award (Pension category) for 2013' and 'Financial Inclusion' by the SKOCH Foundation in partnership with the Government of India

SBI General Insurance Company Ltd. (SBIGIC)

SBIGIC is a joint venture between State Bank of India and IAG Australia in which SBI holds 74% stake.

- SBIGIC's strong focus is on disciplined pricing, fair and transparent claims management practices.
- The cornerstone of the Company's growth aspiration will be focussed on the banca channel whilst selectively developing alternate channels and products that meet business objectives.
- SBIGIC will be completed its fourth year of full operations during FY 2013-14and expected to achieve breakeven during FY 2015-16.
- Gross Direct Written Premium stood at ₹1,191.87 crores in FY 2013-14.
- The Company recorded a net loss of ₹98.39 crores in FY 2013-14 compared to a net loss of ₹145.16 crores in FY 2012-13.
- The Company increased its market share to 1.53% in FY 2013-14 from 1.12% in FY 2012-13 and premium grew by 54% over FY 2012-13. The market share and premium growth rate is the highest in the industry.
- 2nd highest share in industry fire premium (among private insurers) and 3rd highest share in industry PA premium (among PSU and private insurers).
- ICRA assigns claim paying ability rating of iAAA, indicating highest claims paying ability and a fundamentally strong position.

Awards bestowed on SBIGIC in FY 2013-14

Awarded Technology Maturity General Insurance Award for FY 2013 organised by Fintelekt, a media group focused on banking and insurance.

Runners up in Data Quality Asia Pacific Award 2013 during Data Congress held at Melbourne, Australia in March 2014 conducted by The International Association for Information and Data Quality (IAIDQ), a professional society of experts interested in promoting information and data quality.

SBIGIC has 2nd highest share in industry fire premium (among private insurers) and 3rd highest share in industry PA premium (among PSU and private insurers).

SBI SG Global Securities Services Pvt Ltd. (SBISG)

- SBISG, a joint venture between State Bank of India and Societe Generale, was set up to offer high quality custody and fund administration services to complete the bouquet of financial services on offer by a financial conglomerate. SBISG commenced commercial operations in Custody in May 2010 and Fund Accounting Services in September 2010.
- The Company has been achieving operating profits from FY 2011-12, though it has yet to wipe out its setting up losses. Registered a Profit Before Tax of ₹35.81 lakhs in FY 2013-14.
- The Assets Under Custody as on 31.04.2014 rose to ₹1,15,701 crores compared to ₹51,629 crores on 31.04. 2013.
- The Assets Under Administration stood at ₹62,901 crores as on 31.04.2014 compared to ₹52,639 crores as on 31.04. 2013.

Information of Subsidiaries and Joint Ventures Domestic Banking Subsidiaries

Exhibit 32: The performance highlights of the Associate Banks as on 31.03.2014 are as under:

(₹ in crores)

S. No	Name of the Bank	SBI Share of ownership		Total Assets	Agg. Deposits	Total Advances	Op. Profit	Net Profit	CD Ratio	CAR %	Gross NPAs%	Net NPA %	Return on Equity %
		Amt.	%										
1	State Bank of Bikaner & Jaipur	676.12	75.07	90,877	72,953	65,333	1,695	732	89.56	11.55	4.18	2.76	12.85
2	State Bank of Hyderabad	367.55	100.00	1,44,012	1,20,859	98,885	2,691	1,019	81.82	12.00	5.89	3.12	9.36
3	State Bank of Mysore	628.63	90.00	73,976	61,087	50,891	1,164	274	83.31	11.08	5.54	3.29	5.57
4	State Bank of Patiala	907.10	100.00	1,04,105	89,485	77,811	1,448	448	86.95	10.38	4.83	3.17	4.95
5	State Bank of Travancore	505.85	78.90	1,05,285	88,707	70,482	1,370	304	79.46	10.79	4.35	2.78	8.82

Exhibit 33:

Non Banking Subsidiaries

(₹ in crores)

S. No	Name of the Subsidiary Company	Ownership (State Bank interest) / Crores	% of Ownership	Net Profit (Losses) for the FY 2013-14
1	SBI Capital Markets Ltd. (Consolidated)	58.03	100	262.63
2	SBI DFHI Ltd.	139.15	63.78	60.70
3	SBI Payment Services Pvt. Ltd.	2.00	100	0.33
4	SBI Mutual Fund Trustee Company Pvt Ltd.	0.10	100	1.65
5	SBI Global Factors Ltd.	137.79	86.18	-56.70
6	SBI Pension Funds Pvt. Ltd.	18.00	60	2.59

Exhibit 34:

Joint Ventures

(₹ in crores)

S. No	Name of the Subsidiary Company	Ownership (State Bank interest) / Crores	% of Ownership	Net Profit (Losses) for the FY 2013-14
1	SBI Funds Management Pvt. Ltd.	31.50	63	155.77
2	SBI Funds Management (International) Pvt. Ltd.(USD)	USD 50000	63	(0.46)
3	SBI Cards & Payment Services Pvt. Ltd.	471.00	60	293.10
4	SBI Life Insurance Company Ltd.	740.00	74	740.10
5	SBI-SG Global Securities Services Pvt. Ltd.	52.00	65	0.21
6	SBI General Insurance Company Ltd.	129.50	74	(98.39)
7	C-Edge Technologies Ltd.	4.90	49	163.80
8	GE Capital Business Process Mgt. Services Pvt. Ltd.	10.80	40	24.10
9	Macquarie SBI Infrastructure Mgt. Pte. Ltd.	2.25	45	USD 68,09,865
10	Macquarie SBI Infrastructure Trustee Ltd.	-	#	LOSS USD42,884
11	SBI Macquarie Infrastructure Mgt. Pvt. Ltd.	18.57	45	7.84
12	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	0.025	45	0.02
13	Oman India Joint Investment Fund-Mgt. Co Pvt. Ltd.	2.30	50	2.72
14	Oman India Joint Investment Fund-Trustee Co Pvt. Ltd.	0.01	50	0.00

100% Subsidiary of Macquarie SBI Infrastructure Mgt. Pte Ltd

RESPONSIBILITY STATEMENT

The Board of Directors hereby states:

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

ii. that they have selected such accounting policies and applied them consistently and made judgements and estimates as are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Bank as on the 31st March, 2014, and of the profit and loss of the Bank for the year ended on that date;

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

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

ACKNOWLEDGEMENT

During the year, Sarvashri Diwakar Gupta, Managing Director and Shri Pratip Chaudhuri, Chairman, retired on attaining superannuation on 31st July & 30th September 2013, respectively.

Shri Tribhuwan Nath Chaturvedi was nominated as Director under section 19(d) by Government of India w.e.f. 29th August, 2013. Smt. Arundhati Bhattacharya was appointed as Managing Director under section 19(b) w.e.f. 2nd August, 2013 and thereafter, Chairman under section 19(a) w.e.f. 7th October 2013. Shri P. Pradeep Kumar was appointed as Managing Director under section 19 (b) w.e.f. 27.12.2013 on the Board.

The Directors place on record their appreciation of the contributions made by the respective outgoing Directors, namely, Shri Diwakar Gupta and Shri Pratip Chaudhuri to the deliberations of the Board. The Directors welcome the new Directors Shri Tribhuwan Nath Chaturvedi, Smt. Arundhati Bhattacharya and Shri P. Pradeep Kumar on the Board.

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

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

For and on behalf of the

Central Board of Directors

Date : 23rd May, 2014

Chairman

CORPORATE GOVERNANCE

THE BANK'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

The Bank is committed to:

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

The Bank has complied with the provisions of Corporate Governance as per Clause 49 of the Listing Agreement with the Stock Exchanges except where the provisions of Clause 49 are not in conformity with SBI Act, 1955 and the directives issued by RBI/GOI. A report on the implementation of these provisions of Corporate Governance in the Bank is furnished below.

Central Board : Role and Composition

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

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

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

The Central Board is headed by the Chairman, appointed under section 19(a) of SBI Act; four Managing Directors are also appointed members of the Board under section 19(b) of SBI Act. The Chairman and Managing Directors are whole time Directors. As on 31st March 2014, there were twelve other directors on the Board including eminent professionals representing Technology, Accountancy, Finance and Economics. These included representatives of shareholders and staff of the Bank, nominee officials of Govt. of India and Reserve Bank of India and directors nominated by the Govt. of India under Section 19(d) of the State Bank of India Act, 1955. Apart from the whole time Directors, comprising Chairman and four Managing Directors in office, the composition of the Central Board, as on 31st March 2014, was as under :

- four directors, elected by the shareholders under Section 19(c),
- one director, nominated by the Central Government under Section 19(ca),
- one director, nominated by the Central Government under Section 19(cb),
- four directors, nominated by the Central Government under Section 19(d),

- one director (official from the Govt. of India), nominated by the Central Government under Section 19(e), and
- one director (official from the Reserve Bank of India), nominated by the Central Government under Section 19(f).

The composition of the Board complies with provisions laid down in Clause 49 of the Listing Agreement. There is no inter-se relationship between Directors.

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

Meetings of the Central Board

The Bank's Central Board meets a minimum of six times a year. During the year 2013-14, twelve Central Board Meetings were held. The dates of the meetings and attendance of the directors are as under :

Dates & Attendance of Directors at Board Meetings during 2013-14

No. of Meetings held	**:**	**12**
Dates of the Meetings	**:**	18.04.2013, 23.05.2013, 21.06.2013, 16.07.2013, 12.08.2013, 30.09.2013, 30.10.2013, 13.11.2013, 30.12.2013, 31.01.2014,14.02.2014, 03.03.2014

Shri H. G. Contractor, MD & GE (IB), Shri A. Krishna Kumar, MD & GE (NB), Shri S. Vishvanathan, MD & GE (A&S), Shri S. Venkatachalam and Shri Harichandra Bahadur Singh, Directors attended all the twelve Meetings.

Name of the Director	No. of Meetings held after nomination/ election/ during incumbency	No. of Meetings attended
Shri Pratip Chaudhari, Chairman (upto 30.09.2013)	06	06
Smt. Arundhati Bhattacharya		
(a) Managing Director & Chief Financial Officer (w.e.f. 02.08.2013 and upto 06.10.2013)	02	02
(b) Chairman (w.e.f. 07.10.2013)	06	06
Shri Diwakar Gupta, Managing Director & Chief Financial Officer (upto 31.07.2013)	04	04
Shri P. Pradeep Kumar, MD & GE (CB) (w.e.f. 27.12.2013)	04	04
Shri D. Sundaram	12	08
Shri Parthasarathy Iyengar	12	05
Shri Thomas Mathew	12	11
Shri Jyoti Bhushan Mohapatra	12	11
Shri S.K. Mukherjee	12	11
Dr. Rajiv Kumar	12	07
Shri Deepak I. Amin	12	09
Shri Tribhuwan Nath Chaturvedi (w.e.f. 29.08.2013)	07	04
Shri Rajiv Takru	12	05
Dr. Urjit R. Patel	12	04

Executive Committee of the Central Board

The Executive Committee of the Central Board (ECCB) is constituted in terms of Section 30 of the SBI Act, 1955. The State Bank of India General Regulations (46 & 47) provide that, subject to the general or special directions of the Central Board, ECCB may deal with any matter within the competence of the Central Board. ECCB consists of the Chairman, the Managing Directors, the Director nominated under Section 19(f) of the SBI Act (Reserve Bank of India nominee), and all or any of the other Directors who are normally residents or may for the time being be present at any place within India where the meeting is held. The ECCB meetings are held once every week. The details of attendance of ECCB Meetings during the year 2013-14 are as under :

Attendance of Directors at ECCB Meetings during 2013-14

No. of Meetings held : 55

S.No.	Directors	No. of meetings attended
1	Shri Pratip Chaudhuri, Chairman (upto 30.9.2013)	27
2	Smt. Arundhati Bhattacharya	
	(a) Managing Director & Chief Financial Officer (w.e.f .02.08.2013 and upto 06.10.2013)	09
	(b) Chairman (w.e.f. 07.10.2013)	27
3	Shri Hemant G. Contractor, MD & GE (IB)	46
4	Shri Diwakar Gupta, Managing Director & Chief Financial Officer (upto 31.07.2013)	15
5	Shri A. Krishna Kumar, MD & GE (NB)	48
6	Shri S. Vishvanathan, MD & GE (A&S)	43
7	Shri P. Pradeep Kumar, MD & GE (CB) (w.e.f. 27.12.2013)	16
8	Shri S. Venkatachalam	49
9	Shri D. Sundaram	31
10	Shri Parthasarathy Iyengar	06
11	Shri Thomas Mathew	41
12	Shri Jyoti Bhushan Mohapatra	09
13	Shri S.K. Mukherjee	10
14	Dr. Rajiv Kumar	03
15	Shri Deepak I. Amin	25
16	Shri Harichandra Bahadur Singh	22
17	Shri Tribhuwan Nath Chaturvedi (w.e.f. 29.8.2013)	02
18	Shri Rajiv Takru, Govt. Nominee	-
19	Dr. Urjit R. Patel, RBI Nominee	-

Other Board Level Committees

In terms of the provisions of SBI Act and General Regulations, 1955 and Govt./RBI/SEBI guidelines, the Central Board has constituted eight Board Level Committees viz. Audit Committee, Risk Management Committee, Shareholders'/ Investors' Grievance Committee, Special Committee of the Board for Monitoring of Large Value Frauds (₹1 crore and above), Customer Service Committee, IT Strategy Committee, Remuneration Committee & Board Committee to Monitor Recovery. These Committees provide effective professional support in the conduct of Board level business in key areas like Audit & Accounts, Risk Management, resolution of Shareholders'/Investors' grievances, Fraud Review and Control, Review of customer service and redressal of customer grievances, Technology Management, Payment of Incentives to Executive Directors and Oversight on Recovery of Loans and Advances. While the Remuneration Committee approves, once in a year, payment of incentives to wholetime Directors, based on Govt. of India guidelines, the other Committees meet periodically, once in a quarter generally, to deliberate on policy issues and/or review domain performance, as per the calendar of reviews approved by the Central Board. The Committees also call external specialists, besides drawing upon the services of top executives from the Bank, as and when needed. The minutes and proceedings containing brief reports on the discussions held at the meetings of the Committees are placed before the Central Board.

Audit Committee of the Board

The Audit Committee of the Board (ACB) was constituted on 27th July 1994 and last re-constituted on the 31st January 2014. The ACB functions as per RBI guidelines and complies with the provisions of Clause 49 of the Listing Agreement to the extent that they do not violate the directives/guidelines issued by RBI.

Functions of ACB

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

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

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

- KYC-AML guidelines;
- Major areas of housekeeping;
- Compliance of Clause 49 and other guidelines issued by SEBI from time to time;

- Status of implementation of Ghosh and Jilani Committee recommendations.

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

(e) ACB follows up on all the issues raised in RBI's Annual Financial Inspection Reports under Section 35 of Banking Regulation Act, 1949 and Long Form Audit Reports of the Statutory Auditors and other Internal Audit Reports. It interacts with the external auditors before the finalisation of the annual/quarterly financial accounts and reports. A formal 'Audit Charter' or 'Terms of Reference' laid down by the Central Board, is in place and updated periodically, the last revision effected from 16th March 2011.

Composition & Attendance during 2013-14

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

Dates of Meetings of ACB held & Attendance of Directors during 2013-14

No. of Meetings held	:	**10**
Dates of the Meetings	:	17.04.2013, 22.05.2013, 19.07.2013, 10.08.2013, 23.10.2013, 12.11.2013, 27.12.2013, 13.02.2014, 03.03.2014, 18.03.2014

Shri H. G. Contractor, MD & GE (IB) and Shri S. Venkatachalam, Director attended all the ten Meetings.

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri A. Krishna Kumar, Managing Director & GE (NB)	10	9
Shri S. Vishvanathan, Managing Director & GE (A&S) –Alternate Member	-	1
Shri D. Sundaram	10	8
Shri Thomas Mathew	10	9
Dr. Rajiv Kumar	10	6
Shri Rajiv Takru	10	1
Dr. Urjit R. Patel	10	7

Risk Management Committee of the Board

The Risk Management Committee of the Board (RMCB) was constituted on the 23rd March 2004, to oversee the policy and strategy for integrated risk management relating to credit risk, market risk and operational risk. The Committee was last reconstituted on the 31st January 2014 and has, eight members. The Senior Managing Director is the Chairman of the Committee. RMCB meets a minimum of four times a year, once in each quarter. During 2013-14, four meetings of the RMCB were held.

Dates of Meetings of RMCB held & Attendance of Directors during 2013-14

No. of Meetings held	:	**4**
Dates of the Meetings	:	31.05.2013, 18.09.2013, 12.12.2013, 18.03.2014,

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri Hemant G. Contractor, Managing Director & GE(IB)	4	4
Shri A. Krishna Kumar, Managing Director & Group Executive (NB)	4	3
Smt. Arundhati Bhattacharya, Managing Director & CFO – Alternate Member	-	1
Shri S. Venkatachalam	4	4
Shri D. Sundaram	4	4
Shri Thomas Mathew	4	2
Dr. Rajiv Kumar	4	-
Shri Deepak I. Amin	4	3
Shri Tribhuwan Nath Chaturvedi (w.e.f. 31.10.2013)	2	-

Shareholders'/Investors' Grievance Committee of the Board

In pursuance of Clause 49 of the Listing Agreement with the Stock Exchanges, Shareholders'/Investors' Grievance Committee of the Board (SIGCB) was formed on the 30th January 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 Committee was last reconstituted on the 31st January 2014 and has, six members and is chaired by a Non-Executive Director. The Committee met four times during 2013-14 and reviewed the position of complaints.

Dates of Meetings of SIGCB held & Attendance of Directors during 2013-14

No. of Meetings held : **4**

Dates of the Meetings : 25.04.2013, 22.07.2013, 23.10.2013, 03.02.2014

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri Hemant G. Contractor, Managing Director & GE(IB) [Alternate Member – 1 & Member – 1 - w.e.f. 30.9.2013]	2	2
Shri Diwakar Gupta, Managing Director & Chief Financial Officer (upto 31.07.2013)	2	1
Shri S. Vishvanathan, Managing Director & Group Executive (A&S)	4	3
Shri P. Pradeep Kumar, Managing Director & Group Executive (CB) (w.e.f. 31.01.2014)	1	1
Shri S. Venkatachalam	4	4
Shri Thomas Mathew	4	3
Dr. Rajiv Kumar	4	-
Shri Harichandra Bahadur Singh	4	3

Number of shareholders' complaints received so far (during the year) : **219**

Number of complaints not solved to the satisfaction of shareholders : **NIL**

Number of Pending Complaints : **Nil**

Name and designation of Compliance officer : **Shri R. K. Agrawal, General Manager (Compliance)**

Special Committee of the Board for Monitoring of Large Value Frauds (₹1 crore and above)

The Special Committee of the Board for monitoring of Large Value Frauds (₹1 crore and above) (SCBMF) was constituted on the 29th March 2004. The major functions of the Committee are to monitor and review all large value frauds with a view to identifying systemic lacunae, if any, reasons for delay in detection and reporting, if any, monitoring progress of CBI/Police investigation, recovery position, ensuring that staff accountability exercise is completed quickly, reviewing the efficacy of remedial action taken to prevent recurrence of frauds and putting in place suitable preventive measures. The Committee was last reconstituted on the 31st January 2014 and has, eight members. The Senior Managing Director on the Committee is the Chairman. The Committee met four times during 2013-14:

Dates of Meetings of SCBMF held & Attendance of Directors during 2013-14

No. of Meetings held : **4**

Dates of the Meetings : 13.06.2013, 20.08.2013, 03.12.2013, 11.03.2014

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri Diwakar Gupta, Managing Director & Chief Financial Officer (upto 31.07.2013)	1	1
Shri S.Vishvanathan, Managing Director & GE(A&S)	4	3
Smt. Arundhati Bhattacharya, Managing Director & CFO (Alternate Member)	-	1
Shri A.Krishna Kumar, Managing Director & GE(NB) (w.e.f 30.09.2013)	2	2
Shri S. Venkatachalam	4	4
Shri Parthasarathy Iyengar	4	-
Shri Thomas Mathew	4	3
Dr. Rajiv Kumar	4	-
Shri Deepak I. Amin	4	2
Shri Harichandra Bahadur Singh	4	4

Customer Service Committee of the Board

The Customer Service Committee of the Board (CSCB) was constituted on the 26th August 2004, to bring about ongoing improvements on a continuous basis in the quality of customer service provided by the Bank. The Committee was last reconstituted on the 31st January 2014 and has, eight members. The Senior Managing Director on the Committee is the Chairman. During the year 2013-14, four meetings of the Committee were held.

Dates of Meetings of CSCB held & Attendance of Directors during 2013-14

No. of Meetings held : 4

Dates of the Meetings : 08.06.2013, 26.08.2013, 07.11.2013,03.02.2014

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of meetings Attended
Shri A.Krishna Kumar, Managing Director & GE(NB)	4	3
Shri S.Vishvanathan, Managing Director & GE(A&S) (upto 29.9.13)	2	1
Shri Hemant G. Contractor, Managing Director & GE(IB) (w.e.f 31.10.13) (Alternate Member – 1 Member – 2)	2	3
Shri P. Pradeep Kumar, Managing Director & GE (CB) (Alternate Member)	-	1
Shri S. Venkatachalam	4	4
Shri Thomas Mathew	4	2
Shri Jyoti Bhushan Mohapatra	4	3
Shri S.K. Mukherjee	4	3
Shri Harichandra Bahadur Singh	4	3
Shri Tribhuwan Nath Chaturvedi (w.e.f. 31.10.2013)	2	-

IT Strategy Committee of the Board

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

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

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

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

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

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

The Committee was last reconstituted on the 31st January 2014 with six members and is chaired by a Non-Executive Director. The Committee met four times during 2013-14.

Dates of Meetings of ITSC held & Attendance of Directors during 2013-14

No. of Meetings held : 4

Dates of the Meetings : 06.06.2013, 16.08.2013, 21.11.2013, 26.02.2014

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri Hemant G. Contractor, Managing Director & GE (IB)	4	4
Shri A.Krishna Kumar, Managing Director & GE(NB) (upto 30.1.14)	3	2
Smt. Arundhati Bhattacharya, Managing Director & CFO (Alternate Member)	-	1
Shri P. Pradeep Kumar, Managing Director & GE (CB) (w.e.f. 31.01.14)	1	1
Shri D. Sundaram	4	4
Shri S. Venkatachalam	4	4
Shri Parthasarathy Iyengar	4	2
Shri Deepak I. Amin	4	3

Remuneration Committee of the Board

The Remuneration Committee was constituted on 22nd March 2007, for evaluating the performance of Whole Time Directors of the Bank in connection with the payment of incentives, as per the scheme advised by Government of India in March 2007. The Committee was last reconstituted on 31st January 2014. The Committee has four members consisting of (i) the Government Nominee Director, (ii) the RBI Nominee Director and (iii) two other Directors – Shri S. Venkatachalam and Shri D. Sundaram. The Committee scrutinised and recommended payment of incentives to whole time Directors for the year ended 31.3.2013.

Board Committee to Monitor Recovery

In terms of Govt. of India advices, a Board Committee to Monitor Recovery was constituted by the Central Board at its meeting held on 20th December 2012 for oversight on Recovery of Loans and Advances. The Committee has six members consisting of Chairman, four Managing Directors and the Govt. Nominee Director. The Committee met three times during the year on 17.07.2013, 05.11.2013, 15.02.2014 and reviewed the NPA management and large NPA accounts of the Bank.

Local Boards

In terms of the provisions of SBI Act and General Regulations 1955, at every centre where the Bank has a Local Head Office (LHO), Local Boards/Committees of Local Boards are functional. The Local Boards exercise such powers and perform such other functions and duties delegated to them by the Central Board. As on 31st March 2014, Local Boards at Ten LHOs and Committees of the Local Boards at the remaining Four LHOs were functional. The minutes and proceedings of the meetings of Local Boards/Committees of Local Boards are placed before the Central Board.

Sitting Fees

The remuneration of the whole-time Directors and the Sitting Fees paid to the Non-Executive Directors for attending the meetings of the Board/Committees of the Board are as prescribed by GOI from time to time. No remuneration, other than the Sitting Fees for attending Board and/or its Committee meetings, is paid to Non Executive Directors. At present, Sitting Fees of ₹10,000/- is paid for attending the meetings of the Central Board and ₹5,000/- for attending the meetings of Other Board level Committees. Sitting fees are, however, not paid to the Chairman and Managing Directors of the Bank and GOI Nominee/RBI Nominee Directors. Details of Sitting fees paid during the year 2013-14 are placed in Annexure-IV.

Compliance with Bank's Code of Conduct

The Directors on the Bank's Central Board and Senior Management have affirmed compliance with the Bank's Code of Conduct for the financial year 2013-14. Declaration to this effect signed by the Chairman is placed in Annexure-V. The Code is posted on the Bank's website.

Developments during the year

In an effort to keep the Directors contemporised, the Bank took the following initiatives during the year:

(i) One Director participated in Conference of Non Executive Directors on 13th and 14th May 2013, organised by Centre for Advances Financial Research and Learning (CAFRAL) at Mumbai.

(ii) One director nominated by Govt. of India, participated in an Interactive Meeting of Independent Directors on Effective Governance in Banks – Role of Independent Directors on 16th November 2013 by ICAI at New Delhi.

Salary and Allowances paid to the Chairman and Managing Directors in 2013-14

	Basic	DA	Incentives	Other Arrears	Total Remuneration
Chairman					
Smt. Arundhati Bhattacharya (07.10.2013 to 31.03.2014) as Chairman	4,64,516.13	4,32,920.97	0.00		8,97,437.10
Smt. Arundhati Bhattacharya (02.08.2013 to 06.10.2013) as Managing Director	1,63,177.41	1,32,003.22	0.00		2,95,180.63
Total	6,27,693.54	5,64,924.19	0.00		11,92,617.73
Shri Pratip Chaudhuri (Ex-Chairman) (01.04.2013 to 30.09.2013)	4,80,000.00	3,77,600.00	6,00,000.00		14,57,600.00
Managing Director					
Shri Hemant G Contractor (01.04.2013 to 31.03.2014)	9,60,000.00	8,58,663.60	5,00,000.00		23,18,663.60
Shri A Krishna Kumar (01.04.2013 to 31.03.2014)	9,60,000.00	8,58,663.60	5,00,000.00		23,18,663.60
Shri S Vishvanathan (01.04.2013 to 31.03.2014)	9,19,590.00	8,23,101.00	2,50,000.00		19,92,691.00
Shri P Pradeep Kumar (27.12.2013 to 31.03.2014)	2,38,677.42	2,14,809.68	0.00		4,53,487.10
Shri Diwakar Gupta (Ex-Managing Director) (01.04.2013 to 31.07.2013)	3,20,000.00	2,49,600.00	5,00,000.00		10,69,600.00

Attendance at the Annual General Meeting

The last Annual General Meeting (AGM) for the year 2012-13, held on the 21st June, 2013, was attended by 12 Directors, viz., Shri Pratip Chaudhuri, Shri Hemant G. Contractor, Shri Diwakar Gupta, Shri A. Krishna Kumar, Shri S. Vishvanathan, S. Venkatachalam, Shri D. Sundaram, Shri Parthasarthy Iyangar, Shri Thomas Mathew, Shri S.K. Mukherjee, Shri Harichandra Bahadur Singh and Shri Jyoti Bhushan Mohapatra. AGM (2011-12) was held on 22nd June, 2012 and AGM (2010-11) was held on 20th June, 2011. All three AGMs were held in Mumbai and no Special resolutions were passed in the previous three AGMs.

Disclosure

The Bank has not entered into any materially significant related party transactions with its Promoters, Directors, or Management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Bank at large.

The Bank has complied with applicable rules and regulations prescribed by Stock Exchanges, SEBI, RBI or any other statutory authority relating to the capital markets. During the last three years. no penalties or strictures have been imposed by them on the Bank.

A Whistle Blower Policy has been put in place and displayed on "State Bank Times" for reporting any unethical practices or behaviour by employees in violation of their service rules, with a provision for protection of interest / identity of the whistleblower.

The Bank has complied in all respects with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, to the extent that the requirements of the Clause do not violate the provisions of State Bank of India Act 1955, the rules and regulations made thereunder and guidelines or directives issued by the Reserve Bank of India.

Mandatory requirements of Clause 49 as to the composition of the Board of Directors, composition and quorum of the Audit Committee, Non-Executive Directors' compensation, the appointment, re-appointment of the Statutory auditors and fixation of their fees are not binding on the Bank, as separate provisions in the State Bank of India Act, SBI General Regulations and the Reserve Bank of India guidelines deal with the same.

The Bank has complied with all applicable non-mandatory requirements of Clause 49, except for sending half-yearly declaration of financial performance and summary of significant events to the households of shareholders, since detailed information on the same is posted on the website of the Bank.

Means of Communication

The Bank strongly believes that all stakeholders should have access to complete information on its activities, performance and product initiatives. Annual, half-yearly and quarterly results of the Bank for the year 2013-14 were published in the leading newspapers of the country. The results were also displayed on the Bank's website (www.sbi.co.in and www.statebankofindia.com). The annual report is sent to all shareholders of the Bank. The Bank's website displays, interalia, official news releases of the Bank, the Bank's Annual Report and Half-yearly report and details of various product offerings. Every year, after the annual and half-yearly results are declared, a Press meet is held on the same day, in which the Chairman makes a presentation and answers the queries of the media. This is followed by another meeting to which a number of investment analysts are invited. Details of the Bank's performance are discussed with the analysts in the meeting. After declaring quarterly results, press notifications are issued

General Shareholder Information

The Annual General Meeting of the Shareholders	:	Date: 03.07.2014, Time 03.00 pm . Venue: Y. B. Chavan Auditorium, Mumbai
Financial Calendar	:	01.04.2013 to 31.03.2014
Period of Book Closure	:	31.05.2014 to 04.06.2014
Interim Dividend paid @ ₹15.00 per share	:	02.04.2014
Final Dividend @ ₹15.00 per share-payment date	:	19.06.2014
Electronic Clearing	:	Dividend on SBI shares is also being paid through various electronic modes
Listing on Stock Exchanges	:	Mumbai, Ahmedabad, Kolkata, New Delhi, Chennai and National Stock Exchange, Mumbai. GDRs listed on London Stock Exchange (LSE). Listing fees have been paid upto date to all Stock exchanges, including LSE
Stock Code/CUSIP	:	Stock Code 500112 (BSE) SBIN (NSE) CUSIP US 856552203 (LSE)
Share Transfer System	:	Share transfers in Physical form are processed and returned to the shareholders within stipulated time. Quarterly Share transfer audit and reconciliation of Share Capital audit in terms of the Listing Agreements are regularly carried out by an independent Company Secretary.
Registrar and Transfer	:	M/s Datamatics Financial Services Limited

Agent and their Unit Address	:	Plot B-5, and Part B, Cross Lane, MIDC, Marol, Andheri (E), Mumbai 400 093.
Board Phone numbers	:	022-6671 2151 to 56 (between 10 a.m. to 1.00 p.m. and 2 p.m. to 4.30 p.m.)
Direct Numbers	:	022-6671 2198, 022-667121 99, 022-6671 2201 to 6671 2203
E-mail address	:	sbi_eq@dfssl.com,
Fax	:	(022) 6671 2204
Address for Correspondence	:	State Bank of India Shares & Bonds Department, Corporate Centre, 14th Floor, State Bank Bhavan, Madam Cama Road, Nariman Point, Mumbai 400 021.
Telephones	:	(022) 22740841 to 22740848
Fax	:	(022) 22855348
E-mail Address	:	gm.snb@sbi.co.in
Trustees of Bonds (Capital Instruments) issued in INR	:	IDBI Trusteeship Services Limited

Capital Augmentation during FY 2013-14

Capital Augmentation was the key focus area for the Bank during FY 2013-14. Pursuant to the approvals from the Reserve Bank of India and the Government of India under Section 5(2) of the SBI Act, 1955, the Bank raised the undernoted equity capital:

(i) Allotted 1,12,18,685 equity shares to GoI under Preferential Issue, on 02.01.2014, at an issue price of ₹1,782.74 (Rupees One Thousand Seven Hundred Eighty Two and Paisa Seventy Four Only) per share, including premium of ₹1,772.74 (Rupees One Thousand Seven Hundred Seventy Two and Paisa Seventy Four Only) per share aggregating ₹1999,99,98,496.90 (One Thousand Nine Hundred Ninety Nine crores Ninety Nine lakhs Ninety Eight Thousand Four Hundred Ninety Six and Paisa Ninety Only). The shares so allotted, have been locked-in upto 14th January 2017, in terms of Regulation 78(1) of SEBI (ICDR) Regulations, 2009.

(ii) Allotted 5,13,20,436 Equity Shares, on 03.02.2014 to eligible Qualified Institutional Buyers (QIBs) under Qualified Institutions Placement at an Issue Price of ₹1,565.00 per equity share of ₹10 each, including a premium of ₹1,555.00 per share, which is at a discount of 3.95% to the floor price of ₹1,629.35, as calculated in terms of the SEBI ICDR Regulations, aggregating to ₹8031,64,82,340 (Rupees Eight thousand thirty one crores sixty four lakhs eighty two thousand three hundred forty only).

Pre & post-QIP shareholding pattern of the Bank

Category of shareholder	Pre-QIP	Post-QIP
Total shares outstanding	69,52,52,656	74,65,73,092
GoI shareholding		
Number of shares	43,74,59,825	43,74,59,825
Percentage	62.92	58.60
Public shareholding - Percentage	37.08	41.40

Equity shares allotted pursuant to the Preferential Issue and Qualified Institutions Placement (QIP) have been listed and admitted by the Stock Exchanges (BSE/NSE) for trading. Post equity augmentation (Preferential Issue/QIP), paid-up Capital of the Bank is ₹746.57 crores, as against the Authorised Capital of ₹5,000 crores.

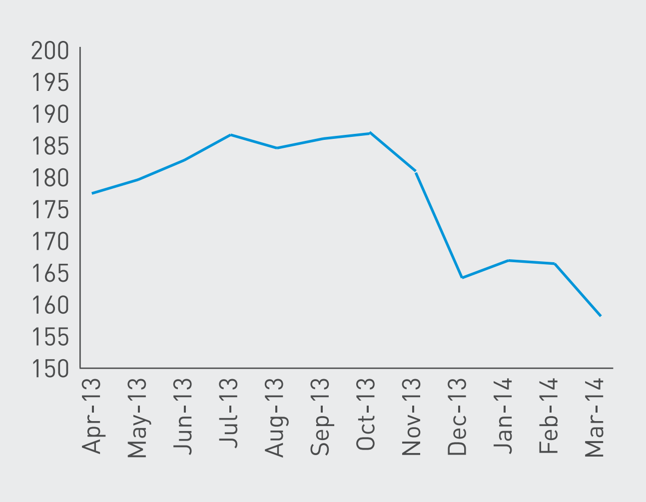
We may also add that, the Bank has issued and allotted Basel III compliant Tier 2 bonds of ₹2,000 crores, issued for 120 months (10 year bullet), w.e.f. 02.01.2014, at an annually payable coupon of 9.69%, by way of private placement. The Instrument has been rated as 'AAA' by both CARE and ICRA.

Outstanding Global Depository Receipts (GDR)

At the time of issue of GDRs in 1996, two-way fungibility was not permitted by the Government/RBI, i.e. if the holder of GDR desired to obtain the underlying equity shares of the Indian Company then such GDR was to be converted into shares of the Indian Company, but not vice versa. Later, two-way fungibility of ADRs/GDRs was permit ted by the Government of India/RBI. The Bank has permitted two-way fungibility to the Bank's GDR programme.

The Bank had 79,36,777 GDRs as on 31.03.2014 representing 1,58,73,554 shares.

Movement in GDRs holdings during 2013-14 (Shares in lakhs)



Unclaimed Shares

Category of shareholder	No. of Shareholders	Outstanding Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the beginning of the year	1,064	25,292
Number of shareholders, who approached the Issuer for transfer of shares from the Unclaimed Suspense account during the year	8	192
Number of shareholders, to whom shares were transferred from the Unclaimed Suspense account during the year	8	192
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the end of the year	1,056	25,100

Dividend History: SBI has the distinction of making uninterrupted dividend payment to the shareholders for the last so many years.

Share Price Movement

The movement of the share price and the BSE Sensex/ NSE Nifty is presented in the following tables. The market capitalisation of the Bank's shares had a weightage of 3.30% in BSE Sensex and 2.64% in NSE Nifty as on 31.03.2014.

Table: Market Price Data (Closing Values)

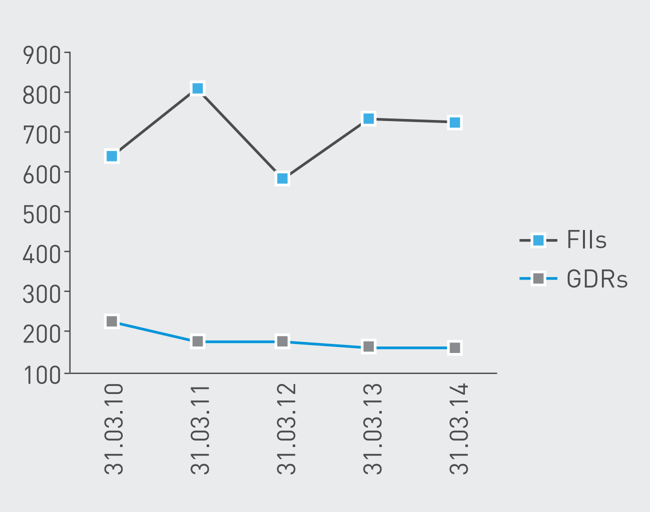
Months	BSE		NSE		LSE (GDR)	
	High	Low	High	Low	High	Low
Apr-13	2,331.10	1,987.10	2,334.55	1,988.25	86.10	73.70
May-13	2,424.60	2,047.70	2,419.35	2,046.75	87.82	72.32
Jun-13	2,069.70	1,900.70	2,069.85	1,900.05	72.55	63.00
Jul-13	2,015.60	1,709.85	2,015.60	1,708.40	68.20	56.22
Aug-13	1,713.55	1,498.20	1,716.10	1,497.85	56.25	43.90
Sep-13	1,808.75	1,475.30	1,807.00	1,475.65	57.98	43.71
Oct-13	1,795.50	1,611.65	1,796.75	1,607.55	58.32	51.95
Nov-13	1,886.09	1,675.45	1,886.00	1,672.95	60.45	52.52
Dec-13	1,889.20	1,718.95	1,890.85	1,718.30	61.55	55.30
Jan-14	1,765.30	1,517.55	1,765.05	1,516.60	57.15	48.56
Feb-14	1,532.70	1,473.40	1,533.25	1,475.10	49.34	47.66
Mar-14	1,918.30	1,518.50	1,917.70	1,516.35	63.60	49.00

Book Value per Share ₹1,503.43
Economic Value Added (EVA): ₹4,668 crores

Distribution of Shareholding as on 31.03.2014

Sr. No.	Description	% to Total
1	PRESIDENT OF INDIA	58.60
2	Non-residents (FIIs/OCBs/NRIs/GDRs)	12.04
3	Mutual Funds & UTI	3.78
4	Private Corporate Bodies	2.87
5	Banks/ FIs/ Insurance Cos., etc.	16.79
6	Others including resident Individuals	5.92
	Total	100.00

Movement in GDRs & FII during last 5 years (No. of Shares in lakhs)



Top Ten Shareholders

Sr. No.	Name	% of Shares in total Equity
1	PRESIDENT OF INDIA	58.60
2	LIFE INSURANCE CORPORATION OF INDIA - (Financial Institutions)	14.99
3	THE BANK OF NEW YORK MELLON (as Depository to our GDR)	2.13
4	HDFC TRUSTEE COMPANY LIMITED (Mutual Fund)	1.65
5	SKAGEN KON-TIKI VERDIP APIRFOND (Foreign Institutional Investors)	1.00
6	GENERAL INSURANCE CORPORATION OF INDIA (Financial Institution)	0.63
7	ICICI PRUDENTIAL MUTUAL FUND (Mutual Fund)	0.59
8	ABU DHABI INVESTMENT AUTHORITY (Foreign Institutional Investors)	0.57
9	RELIANCE CAPITAL TRUSTEE CO. LTD (Mutual Fund)	0.43
10	MORGAN STANLEY ASIA (SINGAPORE) PTE. (Foreign Institutional Investors)	0.35

ANNEXURE I

Brief Resumes of the Non-Executive Directors on the Board as on 31st March 2014

Shri S. Venkatachalam

(Date of Birth: 8th November 1944)

Shri S. Venkatachalam is a Director re-elected by the Shareholders u/s 19(c) of SBI Act, w.e.f. 25th June 2011, for three years. He is a fellow member of the Institute of Chartered Accountants of India and was employed with Citi Group and Citibank NA India Organisation in the Senior Management Cadre for a period of 31 years in various capacities.

Shri D. Sundaram

(Date of Birth: 16th April 1953)

Shri D. Sundaram, is a Director re-elected by the Shareholders u/s 19(c) of SBI Act, w.e.f 25th June 2011, for a period of three years. He is Vice Chairman and Managing Director of TVS Capital Funds Limited. He is a professionally qualified Accountant (FICWA) and carries a rich experience in the area of Finance and Accounting. He held many important positions in Hindustan Unilever Ltd. (HUL) group as Vice-Chairmann & CFO, Corporate Accountant, Commercial Manager and Treasurer, Finance Member, TOMCO Integration Team, and Finance Director, Brooke Bond Lipton India Ltd. He had also held various positions in Unilever Ltd., London as Commercial Officer for Africa and Middle East and Senior Vice President – Finance, Central and Middle East Group.

Shri Parthasarathy Iyengar

(Date of Birth : 2nd June 1961)

Shri Parthasarathy Iyengar is a Director elected by the Shareholders u/s 19(c) of SBI Act, w.e.f. 25th June 2011, for three years. Shri Iyengar holds Post graduate degrees in Engineering and Management (Management Information Systems) from USA. He has more than 25 years of experience in the field of Information Technology in US and India. He is Vice President and Distinguished Analyst in Gartner, a world renowned IT research and advisory services entity and currently its Regional Research Director in India.

Shri Thomas Mathew

(Date of Birth : 20th February 1951)

Shri Thomas Mathew is a Director elected by the Shareholders u/s 19(c) of SBI Act, w.e.f. 13th January 2013. Shri Mathew is a Fellow Member of the Institute of Chartered Accountants and has experience of more than 35 years in statutory/internal audit of Domestic and multinational companies.

Shri Jyoti Bhushan Mohapatra

(Date of Birth : 23rd September 1957)

Shri Jyoti Bhushan Mohapatra is a Workmen Employee director u/s 19(ca) of SBI Act, nominated by the Central Government, w.e.f. 21st November 2011.

Shri S.K. Mukherjee

(Date of Birth :27th November 1955)

Shri S.K. Mukherjee is an Officer Employee director u/s 19(cb) of SBI Act, nominated by the Central Government, w.e.f. 4th October 2012.

Dr. Rajiv Kumar

(Date of Birth : 6th July 1951)

Dr. Rajiv Kumar is a Director re-nominated by the Central Government u/s 19(d) of SBI Act, w.e.f. 6th August 2012, for a period of three years. Dr. Kumar holds a D.Phil from Oxford University, a renowned Economist, with earlier stints in FICCI (Director General), ICRIER (Chief Executive Officer) and with Asian Development bank. Dr. Kumar is currently a Senior Fellow at Centre for Policy Research, New Delhi.

Shri Deepak I. Amin

(Date of Birth: 20th April 1966)

Shri Deepak Amin is a Director nominated by the Central Government u/s 19(d) of SBI Act, w.e.f. 24th January 2012, for a period of three years. Shri Amin holds a B.Tech. in Computer Science from IIT Bombay and M.S. in Computer Science from University of Rhode Island, USA. Shri Amin was the co-founder and CEO of Covelix, Inc, a Seattle and India based international software consulting (acquired by Emtec Inc). Prior to this, Shri Amin was the founder and CEO of vJungle, Inc, a web services software infrastructure company, which was acquired by Streamserve, Inc. Shri Amin also worked at Microsoft for many years as a lead engineer in Microsoft Windows Networking teams and was a senior engineer in the original Internet Explorer browser team at Microsoft, USA. Shri Amin is on the Technology Advisory Board of Grameen Foundation of Nobel Laureate Dr. Muhammad Yunus providing scalable financial and technology solutions for improving financial inclusion of the world's poorest women.

Shri Harichandra Bahadur Singh

(Date of Birth : 16th September 1963)

Shri Harichandra Bahadur Singh is a Director nominated by the Central Government u/s 19(d) of SBI Act, w.e.f. 24th September 2012, for a period of three years. Shri Singh has exposure to Agriculture, Rural Economy & SME business. He was Director on Punjab & Sind Bank during the period 24.12.2008 to 08.12.2010.

Shri Tribhuwan Nath Chaturvedi

(Date of Birth : 15th January 1959)

Shri Tribhuwan Nath Chaturvedi is a Director nominated by the Central Government u/s 19(d) of the SBI Act, w.e.f. 29th August 2013, for a period of three years. Shri Chaturvedi is a Practising Chartered Accountant and Senior Partner in T N Chaturvedi & Co., Chartered Accountants, New Delhi. Shri Chaturvedi has wide experience and expertise in the area of Finance & Accounts, Taxation and Corporate Laws. Shri Chaturvedi earlier served as Shareholder Director on the Board of Punjab National Bank for a period of three years (27th December 2008 to 26th December 2011).

Shri Rajiv Takru

(Date of Birth : 26th September 1955)

Shri Rajiv Takru is a Director u/s 19(e) of SBI Act, nominated by the Central Government, w.e.f. 4th February 2013. Shri Rajiv Takru is Secretary, Financial Services, Ministry of Finance, Govt. of India.

Dr. Urjit R. Patel

(Date of Birth : 28th October, 1963)

Dr. Urjit R. Patel is a Director u/s 19(f) of SBI Act, nominated by the Central Government, w.e.f. 6th February 2013. Dr. Urjit R. Patel is Deputy Governor, Reserve Bank of India.

ANNEXURE II

Details of Memberships/Chairmanships held by the Directors on the Boards/Board-level Committees of the Bank @/ Other Companies as on 31.03.2014

S. No.	Name of Director	Occupation & Address	Appointed to Board since	Number of Companies including the Bank (Details given in Annexure II A)
1.	Smt. Arundhati Bhattacharya	Chairman No. 5, Dunedin, J.M. Mehta Road, Mumbai – 400 006	07.10.2013	Chairman : 14 Director : 02
2.	Shri Hemant G. Contractor	Managing Director M-1, Kinnellan Towers 100A, Napean Sea Road, Mumbai – 400 006	07.04.2011	Director : 05 Committee Member : 01
3.	Shri A. Krishna Kumar	Managing Director M-2, Kinnellan Towers 100A, Napean Sea Road, Mumbai – 400 006	07.04.2011	Director : 06 Committee Member : 04

S. No.	Name of Director	Occupation & Address	Appointed to Board since	Number of Companies including the Bank (Details given in Annexure II A)
4.	Shri S. Vishvanathan	Managing Director C-11, Kinnellan Towers 100A, Napean Sea Road, Mumbai – 400 006	09.10.2012	Director : 16 Committee Member : 06
5.	Shri P. Pradeep Kumar	Managing Director D-8, Kinnellan Towers 100A, Napean Sea Road, Mumbai – 400 006	27.12.2013	Director : 01 Committee Member : 01
6.	Shri S. Venkatachalam	Retired Bank Executive Building B-1, Flat 1-D (First Floor) Harbour Heights, NA Sawant Marg, Colaba Mumbai – 400 005	25.06.2011	Director : 04 Chairman of Committee : 02 Committee Member : 02
7.	Shri D. Sundaram	Vice Chairman & Managing Director, TVS Capital Funds Ltd. IL&FS Financial Centre, Quadrant B, 2nd floor, BKC, Bandra (E), Mumbai – 400 051	25.06.2011	Director : 9 Chairman of Committee : 03 Committee Member : 01
8.	Shri Parthasarathy Iyengar	Regional Research Director Gartner India, 133 National Society, Baner Road, Aundh, Pune – 411 007	25.06.2011	Director : 02
9.	Shri Thomas Mathew	Consultant A 801, Vivaria Hindustan Mills Compound, Dr. Sane Guruji Marg, Saat Raasta, Mahalakshmi, Mumbai – 400 011	13.01.2013	Director : 01 Committee Member : 02
10.	Shri Jyoti Bhushan Mohapatra Workmen Employee Director	Special Assistant State Bank of India, Collectorate Compound, Cuttack Branch, Cuttack – 753 002	21.11.2011	Director : 01
11.	Shri S. K. Mukherjee Officer Employee Director	Dy. Manager, State Bank of India, Administrative Unit, Bhangagarh, Guwahati – 781 005	04.10.2012	Director : 01
12.	Dr. Rajiv Kumar	Economist, C-215 Ground Floor Sarvodaya Enclave, New Delhi – 110 017	06.08.2012	Director : 01 Committee Member : 02
13.	Shri Deepak I. Amin	Advisor C-72 ICON, DLF Phase 5 Gurgaon – 122 002	24.01.2012	Director : 02
14.	Shri Harichandra Bahadur Singh	Agriculture & Business RR Kothi, Canal Road, Raibareli – 229 001 (UP)	24.09.2012	Director : 01 Committee Member : 01

S. No.	Name of Director	Occupation & Address	Appointed to Board since	Number of Companies including the Bank (Details given in Annexure II A)
15.	Shri Tribhuwan Nath Chaturvedi	C/o. T.N. Chaturvedi & Co., 406, Chiranjiv Tower 43 Nehru Place, New Delhi – 110 019	29.08.2013	Director : 01
16.	Shri Rajiv Takru GOI Nominee	Secretary (Financial Services), Ministry of Finance, Government of India, (Banking Divivsion), Jeevan Deep Bldg., Parliament Street, New Delhi – 110 001	04.02.2013	Director : 05 Committee Member : 01
17.	Dr. Urjit R. Patel Reserve Bank of India Nominee	Deputy Governor Reserve Bank of India, Central Office, Shaheed Bhagat Singh Road, Mumbai – 400 001	06.02.2013	Director : 02 Committee Member : 01

@ Only Memberships/Chairmanships of Audit Committee and Shareholders'/Investors' Grievance Committee are reckoned in due compliance with para I (C) (ii) Clause 49 of the Listing Agreement with Stock Exchange.

ANNEXURE IIA

Total Number of Memberships/Chairmanships held by the Directors on the Boards/Board-level Committees of the Bank@/Other Companies as on 31.03.2014

(@Only Memberships/Chairmanships of Audit Committee and Shareholders'/Investors' Grievance Committee are reckoned)

1. Smt. Arundhati Bhattacharya

S. No.	Name of the Company/Name of the Concern/Society	Member/Director/Chairman
1	State Bank of India	Chairman
2	State Bank of Patiala	Chairman
3	State Bank of Bikaner & Jaipur	Chairman
4	State Bank of Hyderabad	Chairman
5	State Bank of Mysore	Chairman
6	State Bank of Travancore	Chairman
7	SBI Global Factors Ltd.	Chairman
8	SBI Pension Funds P. Ltd.	Chairman
9	SBI Life Insurance Company Ltd.	Chairman
10	SBI Capital Markets Ltd.	Chairman
11	SBI Funds Management P. Ltd.	Chairman
12	SBI General Insurance Company Ltd.	Chairman
13	SBIDFHI Ltd.	Chairman
14	SBI Cards & Payment Services P. Ltd.	Chairman
15	Export-Import Bank of India	Director
16	Indian Institute of Banking & Finance	Director

2. Shri Hemant G. Contractor

S. No.	Name of the Company/Name of the Concern/ Society	Member/Director/Chairman	Name(s) of the Committee(s) @
1	State Bank of India	Managing Director	Audit Committee of the Board- Member
2	State Bank of India (Canada)	Director	-
3	Nepal SBI Bank Ltd.	Director	-
4	State Bank of India (Mauritius)	Director	-
5	State Bank of India (California)	Director	-

3. Shri A. Krishna Kumar

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member @
1	State Bank of India	Managing Director	Audit Committee of the Board - Member
2	SBI Life Insurance Company Ltd.	Director	Audit Committee of the Board - Member
3	SBI Cards & Payment Services P. Ltd	Director	Audit Committee of the Board - Member
4	GE Capital Business Process Management Services P. Ltd.	Director	Audit Committee of the Board - Member
5	SBICAP Securities Ltd.	Director	-
6	SBI General Insurance Company Ltd	Director	-

4. Shri S. Vishvanathan

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member@
1	State Bank of India	Managing Director	Shareholders'/Investors' Grievance Committee of the Board- Member
2	SBI Capital Markets Ltd.	Director	Audit Committee of the Board-Member
3	SBI Cap Securities Ltd.	Director	Audit Committee of the Board - Member
4	SBI Cap Ventures Ltd.	Director	-
5	SBICAP UK Limited	Director	-
6	SBI DFHI Limited	Director	
7	SBI General Insurance Co. Ltd.	Director	
8	SBI Global Factors Ltd.	Director	Audit Committee of the Board - Member
9	SBI Life Insurance Company Ltd.	Director	Audit Committee of the Board - Member
10	SBI Funds Management P. Ltd	Director	
11	SBI Pension Funds P. Ltd.	Director	Audit Committee of the Board - Member
12	State Bank of Bikaner & Jaipur	Director	
13	State Bank of Hyderabad	Director	
14	State Bank of Mysore	Director	
15	State Bank of Patiala	Director	
16	State Bank of Travancore	Director	

5. Shri P. Pradeep Kumar

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member@
1	State Bank of India	Managing Director	Shareholders'/Investors' Grievance Committee of the Board- Member

6. Shri S. Venkatachalam

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s)Chairman/ Member@
1	State Bank of India	Director	Audit Committee of the Board- Chairman Shareholders'/Investors' Grievance Committee – Chairman
2	Oracle Financial Services Software Ltd.	Chairman	Audit Committee of the Board -Member Shareholders'/Investors' Grievance Committee - Member
3	Equifax Credit Information Services P. Ltd.	Director	-
4	Canara Robecoo Asset Management Company Ltd.	Director	-

7. Shri D. Sundaram

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s)Chairman/ Member@
1	SBI Capital Markets Ltd.	Director	Audit Committee of the Board- Chairman
2	State Bank of India	Director	Audit Committee of the Board – Member
3	TVS Capital Funds Ltd.	Vice Chairman & Managing Director	-
4	TVS Electronics Ltd.	Director	Audit Committee of the Board- Chairman
5	Glaxo Smith Kline Pharma	Director	Audit Committee of the Board- Chairman
6	Nine Dot Nine Mediaworx P.Ltd.	Director	-
7	Medfort Hospitals P.Ltd.	Director	-
8	Maxivision Laser Centre P. Ltd.	Director	
9	Westland Limited	Director	-

8. Shri Parthasarathy Iyengar

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s)Chairman/ Member@
1	State Bank of India	Director	-
2	Info Technology Advisor (I) P. Ltd.	Director	-

9. Shri Thomas Mathew

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member@
1	State Bank of India	Director	Audit Committee of the Board- Member Shareholders'/Investors' Grievance Committee - Member

10. Shri Jyoti Bhushan Mohapatra

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member@
1	State Bank of India	Director	-

11. Shri S.K.Mukherjee

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member@
1	State Bank of India	Director	-

12. Dr. Rajiv Kumar

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member@
1	State Bank of India	Director	Audit Committee of the Board- Member Shareholders'/Investors' Grievance Committee – Member

13. Shri Deepak I. Amin

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member@
1	State Bank of India	Director	-
2	Radian Advisors P. Ltd.	Director	-

14. Shri Harichandra Bahadur Singh

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member@
1	State Bank of India	Director	Shareholders'/Investors' Grievance Committee - Member

15. Shri Tribhuwan Nath Chaturvedi

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member@
1	State Bank of India	Director	-

16. Shri Rajiv Takru

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member@
1	State Bank of India	Director	Audit Committee of the Board-Member
2	Reserve Bank of India	Director	-
3	Life Insurance Corporation of India	Director	-
4	Indian Infrastructure Finance Company Ltd	Director	-
5	Export Import Bank of India	Director	-

17. Dr. Urjit R. Patel

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member@
1	Reserve Bank of India	Director	-
2	State Bank of India	Director	Audit Committee of the Board -Member

ANNEXURE III

Details of shareholding as on 31.03.2014 of the Directors on the Bank's Central Board

S. No.	Name of Director	No. of Shares
1.	Smt. Arundhati Bhattacharya	200
2.	Shri Hemant G. Contractor	446
3.	Shri A. Krishna Kumar	69
4.	Shri S. Vishvanathan	704
5.	Shri P. Pradeep Kumar	325
6.	Shri S. Venkatachalam	500
7.	Shri D. Sundaram	2640
8.	Shri Parthasarathy Iyengar	500
9.	Shri Thomas Mathew	500
10.	Shri Jyoti Bhushan Mohapatra	60
11.	Shri S.K. Mukherjee	80
12.	Dr. Rajiv Kumar	Nil
13.	Shri Deepak Ishwarbhai Amin	Nil
14.	Shri Harichandra Bahadur Singh	Nil
15.	Shri Tribhuwan Nath Chaturvedi	200
16.	Shri Rajiv Takru	Nil
17.	Dr. Urjit R. Patel	Nil

ANNEXURE IV

Details of Sitting Fees paid to Directors for attending Meetings of the Central Board and Board-Level Committees during 2013-14

S. No.	Name of Director	Meetings of Central Board (₹)	Meetings of Other Board Level Committees (₹)	Total (₹)
1	Shri S. Venkatachalam	1,20,000	3,95,000	5,15,000
2	Shri D. Sundaram	80,000	2,35,000	3,15,000
3	Shri Parthasarathy Iyengar	50,000	40,000	90,000
4	Shri Thomas Mathew	1,10,000	3,05,000	4,15,000
5	Shri Jyoti B. Mohapatra	1,10,000	60,000	1,70,000
6	Shri S.K. Mukherjee	1,10,000	65,000	1,75,000
7	Dr. Rajiv Kumar	70,000	45,000	1,15,000
8	Shri Deepak I. Amin	90,000	1,65,000	2,55,000
9	Shri Harichandra Bahadur Singh	1,20,000	1,60,000	2,80,000
10	Shri Tribhuwan Nath Chatutvedi	40,000	10,000	50,000

ANNEXURE V

Declaration

Affirmation of Compliance with The Bank's Code of Conduct (2013-14)

I declare that all Board Members and Senior Management have affirmed compliance with the Bank's Code of Conduct for the Financial Year 2013-14.

Arundhati Bhattacharya

Date: 12th April 2014 Chairman

S.VENKATRAM & CO.
Chartered Accountants

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Shareholders of

State Bank of India

We have examined the compliance of conditions of Corporate Governance by STATE BANK OF INDIA ("the Bank"), for the year ended 31stMarch, 2014, as stipulated in Clause 49 of the Listing Agreement of the Bank with the Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India, and was limited to procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank has, in all material aspects, complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Bank as per the records maintained by the Shareholders'/ Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

For S.Venkatram& Co.,
Chartered Accountants
(G.Narayanaswamy)
Partner M.No.002161
FRN No. 004656 S

Place: Kolkata
Date: 23rd May 2014

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

State Bank of India (SBI) is the nation's largest and oldest bank with a network of 15869 branches. Nearly 10,000 of the 15,869 branches are located in rural and semi urban areas. SBI is the leader in agricultural finance. SBI and its 5 Associate Bank shave more than 48,000 ATM's making it the one of the largest ATM networks in the world. The Bank's ATMs are located in all parts of the country including some of the remotest and inaccessible parts.

The Bank's activities are covered under "Group K: Financial and Insurance Activities of National Industrial Classification (All Economic Activities) - 2008" published by Ministry of Statistics and Programme Implementation. The Bank's activities fall under the below mentioned industrial activity code:

Group	Class	Description
641		Monetary Intermediation
	6419	Other Monetary Intermediation

Other financial services like insurance, mutual fund, financial leasing, card business etc. are offered through the Bank's associates and/or subsidiaries to all customer segments whether Government, Corporates or Individuals. The Bank's three major products/services categories, each of which individually comprises of several products/ services, are:

1. Deposits
2. Loans and Advances
3. Remittances and Collections

The Bank's domestic operations are carried out through 14 Circles and 85 Zonal Offices that are located in major cities throughout the country. The International banking services offers a full range of cross border finance solutions for the benefit of its Indian customers, non-resident Indians, foreign entities and banks. With presence across all time zones, State Bank of India and its affiliate banks provide 360 degree services to its global clientele. The International Banking Network is spread across 36 countries with 190 offices. Some of the Bank's International locations include UK, USA, Germany, France, Canada, Russia, South Africa, China, Singapore, Japan and Australia.

The Bank maintains correspondent banking arrangements with 385 reputed international Banks spread over 113 countries. Bank's Joint Ventures and Subsidiaries abroad further underline the Bank's international presence.

Other details about the Bank:

Address:	State Bank of India, State Bank Bhavan, Corporate Centre, Madame Cama Road, Nariman Point, Mumbai - 400 021, India
Website:	http://www.sbi.co.in http://www.statebankofindia.com
E-mail id:	gm.snb@sbi.co.in
Financial Year reported:	2013 - 2014

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Details for Financial Year 2013-14:

Paid-up capital	**₹ 747crores**
Total Income	**₹1,54,903.72 crores**
Profit After Tax (PAT)	**₹10,891 crores**
Spending on Corporate Social Responsibility (CSR) as a percentage of PAT (FY 2013-14)	**1.37%**
Total Deposits	**₹13,94,409 crores**
Total Advances	**₹12,45,122 crores**
Total Business	**₹26,39,531 crores**

Corporate Social Responsibility has always been a part of the State Bank of India covering various social, environmental and welfare activities. This is rooted in the Bank's belief that it owes a solemn duty to the less fortunate and underprivileged members of the society to make a sustainable social change in their development. In fact since 1973 the Bank is actively involved in non-profit activity called Community Services Banking. All its branches and administrative offices throughout the country sponsor and participate in large number of welfare activities and social causes.

The budget for the Bank's Corporate Social Responsibility (CSR) spending for FY 2013-14 was 1% of the previous year's PAT which amounts to ₹141 crores. The Bank's actual spend on CSR activities for FY 2013-14 was ₹148.93 crores. The Bank's CSR activities touch the lives of millions of the poor and needy across the length and breadth of the country.

While CSR is embedded in many of the Bank's business initiatives it covers various social, environmental and welfare activities. The Bank has a comprehensive Corporate Social Responsibility (CSR) Policy, approved by the Executive Committee of the Central Board in August 2011.

The focus areas of the Bank's CSR activities are listed hereunder:

- Supporting education.
- Supporting healthcare.
- Assistance to poor & underprivileged.
- Environment protection.
- Entrepreneur development programme.
- Help in National calamities.

Further details of the Bank's CSR activities have been covered in the "Corporate Social Responsibility" section of the Annual Report 2013-14.

SECTION C: OTHER DETAILS

Participation of subsidiaries and business partners in BR initiatives:

The details of the subsidiaries and joint ventures are provided in the Bank's Annual Report for FY 2013-14.

The Bank's Associates and Subsidiaries fully endorse the BR Principles. However, with their own independent Boards they decide on their own regarding their social and environmental initiatives. Banking operations do not have a complex supply chain and thus the business partners (suppliers/distributors) are also quite limited, which leaves very little scope for the Bank to engage them in its BR initiatives. The Bank expects and encourages its suppliers/distributors to conduct their business in a responsible manner.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

Governance related to BR

- Director responsible for implementation of the BR policy/policies

DIN Number (if applicable)	00871792
Name	Shri. A.Krishna Kumar
Designation	Managing Director & Group Executive (National Banking)

- Business Responsibility Head

DIN Number (if applicable)	Not Applicable
Name	Shri Vinod Pande
Designation	General Manager (Corporate Communication & Change Management)
Telephone Number	022-22870923
e-mail id	gm.ccc@sbi.co.in

As stated in the Business Responsibility Policy of the Bank, the BR performance of the Bank will be assessed annually by the Board of Directors. The Nodal Officer, heading the BR function, is responsible for the BR performance of the Bank. Further, the Bank's BR Policy will be updated from time to time by the Nodal Officer, in the light of amendments to laws, rules and regulations, as applicable, and an annual review report will be submitted to the Board.

About the BR Report

This is the second Business Responsibility report of the Bank and in accordance with SEBI requirements and published on an annual basis. The BR report for FY 2013-14 can be accessed at Bank's website http://www.sbi.co.in or http://statebankofindia.com under the link Corporate Governance →CSR→BR Report.

Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/ policies for....	Yes								
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	SBI's Business Responsibility Policy is based on National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business as released by Ministry of Corporate Affairs, Government of India, in July 2011								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	The BR policy has been approved and signed by Central Board of Directors.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes								
6.	Indicate the link for the policy to be viewed online	http://www.sbi.co.in or http://statebankofindia.com under the link Corporate Governance → CSR → BR Report.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8.	Does the company have in-house structure to implement the policy/ policies?	Yes								

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes								
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	SBI has adopted Business Responsibility Policy in 2012-13, implementation of which is reviewed from time to time.								

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Practicing Good Corporate Governance

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

The objectives can be summarised as:

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

The Bank has laid down a well-defined Code of Conduct for its Directors on the Central Board and its Core Management. This Code of Conduct attempts to set forth the guiding principles on which the Bank operates and conducts its daily business with its multitudinous stakeholders, government and regulatory agencies, media, and anyone else with whom it is connected. To get further details, the Code can be easily accessed at the Bank's website. The Bank's Business Responsibility Policy also covers aspects related to ethics, bribery and corruption.

Principle 2: Providing Sustainable Products and Services

As a sustainable business practice, the Bank has consistently delivered products, services and social, environmental and financial returns to support the real economy. For decades it has practiced responsible banking and a consistent commitment to productive economic activity. The Bank has always been at the forefront of innovation whether beits products or its operations/services. SBI has also been a front runner in Technology Innovation/ Absorption.

Some of the recent technology upgrades adopted by the Bank are:

- To encourage the growth of e-Commerce, State Bank of India has launched "SBIePay", a payment aggregator services, which facilitates e-Commerce/ m-Commerce transactions between merchants, customers and various financial institutions for all kinds of payments.
- SBI through Cash Management Product (CMP) Centre was the first Bank to use NPCI Aadhar Payment Bridge System (APBS) for transferring LPG subsidy based on Aadhar Number.
- The Bank has launched an Online Savings Bank Application facility and e-RD, TDR/STDR accounts which evoked enthusiastic response from the customers. Issuance of TDR/STDR through ATMs has been operationalised.
- Centralised printing and mailing of current account/ OD/Cash credit statements, housing loan interest certificates, deposit accounts' certificates to enhance customer convenience, were initiated during the reporting period.
- The Bank issued a series of new plastic cards for the convenience of their target groups, e.g State Bank Business debit card for corporate customers in two variants-Pride & Premium, Insta Deposit cards enabling traders & service providers to deposit cash quickly, State Bank Virtual Card for retail customers.
- State Bank MobiCash Easy, a mobile wallet, was introduced during the year.
- E-challan cum return for collection of Employees Provident Fund through Branches and Corporate Internet Banking Channel (CINB).
- State Bank Virtual Card enables secured e-commerce on-line transactions, through Internet Banking facility.
- Green Channel Counter, Self Service Kiosk, Green Remit Card, prepaid cards like Smart Payout card, Ez Pay Card, Vishwa Yatra Card are some of the initiatives of the Bank's green initiatives and have social benefits also.

Principle 3: Caring for Human Capital

Employee Strength

The Bank is one of the largest employers in the country having 2,22,033 employees at the end of FY 2013-14, of which 2,610 persons with disabilities. As on 31st March 2014, the Bank had 42,744 Schedule Caste and 17,243 Schedule Tribe employees.

Employee Benefits

The vision of the Bank for its human resources is to create an enabling environment to enhance the efficiency of the organisation. The aim is to encourage the employees to perform to their best ability by a system of proper placements, incentives, while creating an atmosphere of trust and a feeling that the organisation cares about the well-being and personal aspirations of the staff. This helps align personal aspirations with professional goals and help enhance efficiency. The Bank runs multiple benefit schemes for its employees some of which include providing them provident fund, gratuity, pension, medical benefits, concessionary interest rates on advances, higher interest rates on deposits, scholarships to employees' children, holiday homes, reservation in schools, grant of sabbatical leave to employees, executive health check-up etc.

Freedom of Association

The Bank has two recognised Employee Associations – One for Supervising Staff and the other for Award Staff. The names of the associations are:

1 All India State Bank of India Officer's Federation.
2. State Bank of India Staff Federation

The majority of staff and officers are members of these federations.

Human Rights

Recruitment policy of the Bank does not permit any engagement of child labour, forced labour or involuntary labour. An independent complaint committee have been constituted at, Local Head Offices (LHOs), Administrative offices and Regional Business offices (RBOs) level & a Contact Coordinator at Corporate Centre to handle complaints of sexual harassment at work place, promptly and appropriately. The Bank refrains from any discrimination on the basis of caste, creed, gender or religion and strives to ensure a healthy work-life balance for its employees.

Employee Training & Development

The Bank has a very elaborate training network comprising of 47 Learning Centres and 5 Apex Institutes developed over 50 years to cater to the competence building. The Bank's training system functions under the overall supervision and guidance of the Strategic Training Unit, headed by a very senior level executive.

The Strategic Training Unit ensures:

- All employees to undergo at least one institutional training during a year.
- Training programs are aligned with current corporate priorities / requirements of Business Units.
- A culture of self-learning is inculcated in every employee.
- Active promotion of online learning, including mandatory role-based lessons supported by Rewards & Recognitions.

E-learning has proved to be an effective platform in providing supplementary support to institutional training. Some of the highlights of 2013-14:

- More than 2,34,763 participants trained during 2013-14 covering 60% of Officials and 68% of Award Staff.
- 219 short duration e-capsules (of 15 minutes each) uploaded for faster dissemination of knowledge amongst employees, especially frontline staff.
- Mobile nuggets (short study materials on mobile handsets) made available on pilot basis.
- All employees are made aware of gender sensitivity at work place.
- Senior officials motivated to pursue Harvard Manage Mentor, an online course on management issues under tie up with Harvard Business School.
- Video lectures on industry specific inputs arranged for senior executives.

Principle 4: Engaging with Stakeholders

The Bank's approach to stakeholder engagement helps to minimise risks, identify ideas for new products and services, and understand and respond to the issues that matter to the communities it serves.

The Bank communicates with the stakeholders through a variety of channels, such as e-mails, website, conference call, Press Meets, Advertising, one-on-one meeting, analysts' meet and attendance at Investor Conference throughout the world. Stakeholder engagement is embedded in all areas of the Bank. The Bank seeks feedback through all their customer-facing channels, listens to all shareholders concerns and provides opportunities for employees to provide feedback. The engagement with stakeholders is through social media like Facebook & twitter, and active participation in a variety of industry and community associations.

Principle 5: Respecting Human Rights

The Bank recognises its responsibility to respect human rights within its sphere of influence which it defines as:

- Employees
- Suppliers and Service Providers
- Retail clients and corporate clients
- Local communities

The bank has a direct obligation to protect the human rights of its employees, including the right to equal opportunities, protection from discrimination and fair working conditions. The Bank does not use child labour or forced labour among its own staff. The Bank seeks to ensure that their principal suppliers respect human rights and that its corporate clients comply with all the regulations in regard to human rights. SBI makes a positive contribution to local communities through its various CSR and microfinance activities.

Principle 6: Caring for Environment

The Bank takes proactive steps to reduce the direct impact of its operations on the environment. From recycling programs to energy conservation in offices and branches, the Bank is working to reduce its operational footprints on the environment. Some of the measures introduced are:

- Wind based power projects have been successfully commissioned and the power generated from these projects helps power Bank's branches/offices in the States of Maharashtra, Gujarat and Tamil Nadu.
- Installation of Solar ATMs, introduction of Green Channel Banking (Paperless Banking).
- The Bank has initiated a pilot project to determine its Carbon footprint levels, which will help in determining the Bank's resource consumption pattern and enable the Bank to take effective steps to implement various measures for sustainable usage in a cost effective way.
- The Bank has put in place SMART i.e. Specific, Measurable, Achievable, Realistic and Time bound Green Banking Goals, some of which are obtaining star rating at all Local Head Offices premises from Bureau of Energy Efficiency, construction of 'Green' buildings, waste water treatment, programs to sensitise staff on energy savings.
- Our over 48,000 ATM's ensures reduced consumption of paper at Branches.

The Bank's operations generate very minimal emissions/ waste and hence, the quantity of emissions/wastes generated by the Bank in the reporting period was far below the permissible limits given by the Pollution Control Board. The Bank didn't receive any show cause/legal notice by Pollution Control Board during the FY 2013-14.

Principle 7: Advocating Public Policy

The Bank's participation in public policy making process is multi-layered. At the leadership level, the Top Management meets regularly with Policy makers and regulatory authorities. At the policy development level, top executives meet with regulators, governments and government agencies on public policy issues relevant to the financial services industry. This engagement takes a number of forms, including participation in government advisory bodies.

The Bank has been an active member of various banking and finance-related Trade bodies, Chambers and Associations. Some of the major associations which SBI is a part of are listed hereunder:

- Indian Bank's Association (IBA),
- Foreign Exchange Dealers Association of India (FEDAI),
- Fixed Income Money Market and Derivatives Association (FIMMDA),
- The Bank is also associated with ASSOCHAM, CII etc.

The Bank's advocacy of policy has been for the overall benefit to the Society, and does not serve any sectarian interest.

Principle 8: Enabling Inclusive Growth

To achieve the twin objectives of ensuring greater financial inclusion and increasing the outreach of the Bank and to provide comprehensive financial services to the underprivileged especially in unbanked areas the Bank's scheme for Financial Inclusion includes extending Banking services through Business Correspondents (BCs).

The Bank has set up 45,487 BC Customer Service Points through alliances both at national and regional level.

- The Bank is offering various technological enabled products through Business Correspondent (BC) channel, such as, Savings Bank, flexi RD, STDR, remittance & SB-OD facilities.
- The Bank has achieved 100% coverage under financial inclusion in 31,729 villages during FY 2013-14. The cumulative coverage of villages has gone up to 52,260.
- 11,423 BC outlets have been set up in Urban/Metro centers which cater to the requirements of migrant labourers, vendors, etc. During FY 2013-14, 226 lakhs remittance transactions for ₹9,983 crores were registered through BC channel.
- During FY 2013-14, Bank has opened 1.50 crores Small accounts with simplified KYC and this taking overall tally to 3.53 crores accounts.
- The transactions volume through BC Channel has grown to ₹22,525 crores during FY 2013- 14 as against ₹13,033 crores during FY 2012-13.
- With a view to facilitate transactions through alternate channels, the Bank has issued 24 lakhs FI Rupay ATM Debit Cards to FI customers.
- Linking of villages to branches through CSPs in a hub and spoke model has been launched and 69,749 villages have been linked so far. A facility of depositing loan repayments at 31,919 BC outlets has also been enabled.
- Direct Benefit Transfer (DBT) Scheme has been successfully rolled out.
- The Bank has successfully completed 27.41 lakhs transactions amounting to ₹505 crores as Sponsoring Bank in addition to handling 7.1 lakhs transactions amounting to ₹98.61 crores as Receiving Bank. Overall 1.36 crores accounts linked with Aadhaar across the country.
- SBI is the sole Sponsoring Bank for DBT for LPG transactions which are processed centrally for all the three Oil Marketing Companies. Over 8.98 crores transactions amounting ₹5,393 crores successfully processed.

- 4.46 lakhs SHGs credit linked with credit deployment of ₹5,134 crores. Our market share in SHGs is 22%.

The Bank has spent a total amount of ₹148.93 crores on CSR activities in FY 2013-14. The details of the activities and projects undertaken have been covered above in Section B as well as in "Corporate Social Responsibility" section of the Annual Report.

Principle 9: Serving Customers

The Bank's vision statement clearly spells out the centricity of the customer in the Bank's business strategies and operations. A multi-tiered structure of committees constantly review existing services and suggest improvements. Important issues raised by these Committees and action taken thereon, as well as analysis of the consolidated data for customer grievances for all Circles are placed before the Customer Service Committee of the Board every quarter, to identify common systemic and policy issues that require rectification.

The Bank has a well-defined and documented Grievance Redressal Policy which provides for:

- A dedicated Customer Care Cell.

- Bank's Web based Complaint Management System (CMS) has been redesigned and launched as a single online Grievance Lodging and Redressal System for the Bank. Customers can lodge their complaints either through various channels including written complaint at branch or by calling at the toll free number of Bank's Contact Centre or sending SMS message 'UNHAPPY' to a specified number.

Process innovations

- Relationship management platform was strengthened across business verticals, which included accounts management teams for corporate customers, premier banking services for high net worth customers, relationship managers for SMEs (ME&SE).
- The number of processing cells (RACPCs/ SMECCs), supported by loan origination software, were increased and revamped, for quicker processing of loans.
- Touch-points with customers were expanded, through opening of branches and increasing.

Customer Service Points, BC outlets in remote area.

- Cluster models were introduced at all currency chest branches for efficient cash management at semi-urban/ rural area.

STATE BANK OF INDIA

BALANCE SHEET as on 31st March, 2014

(000s omitted)

	Schedule No.	As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
CAPITAL AND LIABILITIES			
Capital	1	746,57,31	684,03,40
Reserves & Surplus	2	117535,67,65	98199,65,14
Deposits	3	1394408,50,48	1202739,57,43
Borrowings	4	183130,88,26	169182,71,36
Other Liabilities and Provisions	5	96412,96,19	95405,30,05
Total		**1792234,59,89**	**1566211,27,38**
ASSETS			
Cash and Balances with Reserve Bank of India	6	84955,66,05	65830,41,04
Balances with Banks and money at call and short notice	7	47593,97,22	48989,75,41
Investments	8	398308,18,98	350877,50,51
Advances	9	1209828,71,92	1045616,55,31
Fixed Assets	10	8002,15,51	7005,02,22
Other Assets	11	43545,90,21	47892,02,89
Total		**1792234,59,89**	**1566211,27,38**
Contingent Liabilities	12	1017329,95,45	926374,06,89
Bills for Collection	-	74028,41,81	66639,54,09
Significant Accounting Policies	17		
Notes to Accounts	18		

SCHEDULES

SCHEDULE 1 - CAPITAL

(000s omitted)

	As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
Authorised Capital :		
500,00,00,000 (Previous Year 500,00,00,000) shares of ₹ 10 each	5000,00,00	5000,00,00
Issued Capital :		
74,66,56,167 (Previous Year 68,41,17,046) Equity Shares of ₹ 10 each	746,65,61	684,11,70
Subscribed and Paid-up Capital :		
74,65,73,092 (Previous Year 68,40,33,971) Equity Shares of ₹ 10 each	746,57,31	684,03,40
[The above includes 1,58,73,554 (Previous Year 1,65,21,526) Equity Shares represented by 79,36,777 (Previous Year 82,60,763) Global Depository Receipts]		
Total	**746,57,31**	**684,03,40**

SCHEDULE 2 - RESERVES & SURPLUS

(000s omitted)

		As on 31.03.2014 (Current Year) ₹		As on 31.03.2013 (Previous Year) ₹
I. Statutory Reserves				
Opening Balance	40470,71,09		36052,85,01	
Additions during the year	3339,61,91		4417,86,08	
Deductions during the year	-		-	
		43810,33,00		40470,71,09
II. Capital Reserves				
Opening Balance	1527,25,75		1508,08,79	
Additions during the year	216,75,30		19,16,96	
Deductions during the year	-		-	
		1744,01,05		1527,25,75
III. Share Premium				
Opening Balance	31501,19,81		28513,84,58	
Additions during the year	9969,10,90		2991,08,00	
Deductions during the year	25,62,11		3,72,77	
		41444,68,60		31501,19,81
IV. Foreign Currency Translation Reserve				
Opening Balance	3475,33,39		2433,48,66	
Additions during the year	2564,67,61		1041,84,73	
Deductions during the year	-		-	
		6040,01,00		3475,33,39
V. Revenue and Other Reserves*				
Opening Balance	21224,81,17		14771,55,13	
Additions during the year	4796,63,50		6453,26,04	
Deductions during the year#	1525,13,15		-	
		24496,31,52		21224,81,17
VI. Balance of Profit and Loss Account		32,48		33,93
* 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 ₹ 5544,98,43 thousand (Previous Year ₹ 4487,00,00 thousand)				
# Refer Notes to Accounts Para 18.8, Clause 19				
Total		**117535,67,65**		**98199,65,14**

SCHEDULES

SCHEDULE 3 - DEPOSITS

(000s omitted)

		As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
A.	**I. Demand Deposits**		
	(i) From Banks	6041,38,80	7345,35,39
	(ii) From Others	107191,08,49	105334,91,78
	II. Savings Bank Deposits	485167,93,49	426383,11,88
	III. Term Deposits		
	(i) From Banks	34117,68,40	27855,66,19
	(ii) From Others	761890,41,30	635820,52,19
	Total	**1394408,50,48**	**1202739,57,43**
B.	I. Deposits of Branches in India	1305983,94,89	1130136,60,70
	II. Deposits of Branches outside India	88424,55,59	72602,96,73
	Total	**1394408,50,48**	**1202739,57,43**

SCHEDULE 4 - BORROWINGS

(000s omitted)

			As on 31.03.2014 (Current Year) ₹		As on 31.03.2013 (Previous Year) ₹
I.	**Borrowings in India**				
	(i) Reserve Bank of India		12200,00,00		14476,16,00
	(ii) Other Banks		1121,44,41		5648,85,07
	(iii) Other Institutions and Agencies		8280,19,25		4894,40,03
	(iv) Capital Instruments :				
	a. Innovative Perpetual Debt Instruments (IPDI)	2165,00,00		2165,00,00	
	b. Subordinated Debt	36671,39,60		34671,39,60	
			38836,39,60		36836,39,60
	Total		**60438,03,26**		**61855,80,70**
II.	**Borrowings outside India**				
	(i) Borrowings and Refinance outside India		118948,16,25		103934,09,41
	(ii) Capital Instruments :				
	Innovative Perpetual Debt Instruments (IPDI)		3744,68,75		3392,81,25
	Total		**122692,85,00**		**107326,90,66**
	Grand Total		**183130,88,26**		**169182,71,36**
	Secured Borrowings included in I & II above		3339,91,31		5244,20,68

SCHEDULES

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(000s omitted)

		As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
I.	Bills payable	19165,70,27	19686,48,27
II.	Inter-office adjustments (Net)	1502,58,08	16384,11,49
III.	Interest accrued	15772,86,89	13333,47,47
IV.	Deferred Tax Liabilities (Net)	2837,83,06	628,91,86
V.	Others (including provisions)	57133,97,89	45372,30,96
	Total	**96412,96,19**	**95405,30,05**

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(000s omitted)

		As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
I.	Cash in hand (including foreign currency notes and gold)	12456,56,04	11552,19,17
II.	Balance with Reserve Bank of India		
	(i) In Current Account	72499,10,01	54278,21,87
	(ii) In Other Accounts	-	-
	Total	**84955,66,05**	**65830,41,04**

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(000s omitted)

		As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
I.	**In India**		
	(i) Balances with banks		
	(a) In Current Accounts	916,04,64	664,07,65
	(b) In Other Deposit Accounts	13292,53,15	3002,57,75
	(ii) Money at call and short notice		
	(a) With banks	3650,00,00	7173,00,00
	(b) With other institutions	-	-
	Total	**17858,57,79**	**10839,65,40**
II.	**Outside India**		
	(i) In Current Accounts	9555,80,00	25822,33,16
	(ii) In Other Deposit Accounts	2836,10,73	4334,76,89
	(iii) Money at call and short notice	17343,48,70	7992,99,96
	Total	**29735,39,43**	**38150,10,01**
	GRAND TOTAL (I and II)	**47593,97,22**	**48989,75,41**

SCHEDULES

SCHEDULE 8 - INVESTMENTS

(000s omitted)

			As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
I.	**Investments in India in :**			
	(i) Government Securities		308198,80,84	269260,22,00
	(ii) Other approved securities		-	-
	(iii) Shares		3009,16,29	3865,81,59
	(iv) Debentures and Bonds		26424,80,57	18892,86,89
	(v) Subsidiaries and/ or Joint Ventures (including Associates)		6153,70,49	5465,12,53
	(vi) Others (Units of Mutual Funds, Commercial Papers, Priority Sector Deposits etc.)		30262,07,21	32508,88,26
	Total		**374048,55,40**	**329992,91,27**
II.	**Investments outside India in :**			
	(i) Government Securities (including local authorities)		3465,14,10	2860,01,34
	(ii) Subsidiaries and/ or Joint Ventures abroad		2183,71,39	1602,78,14
	(iii) Other Investments (Shares, Debentures etc.)		18610,78,09	16421,79,76
	Total		**24259,63,58**	**20884,59,24**
	Grand Total [I and II]		**398308,18,98**	**350877,50,51**
III.	**Investments in India :**			
	(i) Gross Value of Investments		374699,15,33	330718,38,30
	(ii) Less: Aggregate of Provisions / Depreciation		650,59,93	725,47,03
	(iii) Net Investments (vide I above)	**TOTAL**	374048,55,40	329992,91,27
IV.	**Investments outside India :**			
	(i) Gross Value of Investments		25156,84,83	21257,56,93
	(ii) Less: Aggregate of Provisions / Depreciation		897,21,25	372,97,69
	(iii) Net Investments (vide II above)	**TOTAL**	24259,63,58	20884,59,24
	Grand Total [III and IV]		**398308,18,98**	**350877,50,51**

SCHEDULES

SCHEDULE 9 - ADVANCES

(000s omitted)

		As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
A.	I. Bills purchased and discounted	77755,08,56	88667,91,97
	II. Cash credits, overdrafts and loans repayable on demand	522860,87,39	465451,77,02
	III. Term loans	609212,75,97	491496,86,32
	Total	**1209828,71,92**	**1045616,55,31**
B.	I. Secured by tangible assets (includes advances against Book Debts)	949116,35,89	770342,19,70
	II. Covered by Bank/ Government Guarantees	61654,47,71	93712,47,29
	III. Unsecured	199057,88,32	181561,88,32
	Total	**1209828,71,92**	**1045616,55,31**
C.	I. Advances in India		
	(i) Priority Sector	280819,50,12	264313,88,71
	(ii) Public Sector	74172,44,97	54670,17,17
	(iii) Banks	99,98,62	68,76,58
	(iv) Others	642792,39,65	559156,10,37
	Total	**997884,33,36**	**878208,92,83**
	II. Advances outside India		
	(i) Due from banks	47670,95,07	32915,24,62
	(ii) Due from others		
	(a) Bills purchased and discounted	11768,61,70	21216,56,17
	(b) Syndicated loans	84589,24,23	56258,73,66
	(c) Others	67915,57,56	57017,08,03
	Total	**211944,38,56**	**167407,62,48**
	Grand Total (C - I & C - II)	**1209828,71,92**	**1045616,55,31**

SCHEDULES

SCHEDULE 10 - FIXED ASSETS

(000s omitted)

			As on 31.03.2014 (Current Year) ₹		As on 31.03.2013 (Previous Year) ₹
I.	**Premises**				
	At cost as on 31st March of the preceding year	2817,35,62		2142,79,28	
	Additions during the year	312,32,09		676,70,93	
	Deductions during the year	15,37,94		2,14,59	
	Depreciation to date	1023,43,87		942,79,55	
			2090,85,90		**1874,56,07**
II.	**Other Fixed Assets (including furniture and fixtures)**				
	At cost as on 31st March of the preceding year	13774,29,40		11847,40,39	
	Additions during the year	2750,04,31		2442,55,55	
	Deductions during the year	592,10,36		515,66,54	
	Depreciation to date	10306,63,74		9053,34,39	
			5625,59,61		**4720,95,01**
III.	**Leased Assets**				
	At cost as on 31st March of the preceding year	782,89,10		802,13,34	
	Additions during the year	-		-	
	Deductions during the year	549,26,63		19,24,24	
	Depreciation to date including provision	233,62,47		782,89,10	
		-		-	
	Add: Lease adjustment account	-		20,27	
			-		**20,27**
IV.	**Assets under Construction (Including Premises)**		285,70,00		409,30,87
	Total (I, II, III and IV)		**8002,15,51**		**7005,02,22**

SCHEDULE 11 - OTHER ASSETS

(000s omitted)

		As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
I.	Inter-office adjustments (Net)	-	-
II.	Interest accrued	13908,11,79	12090,67,66
III.	Tax paid in advance / tax deducted at source	11880,51,10	5333,66,58
IV.	Stationery and stamps	116,21,78	97,79,18
V.	Non-banking assets acquired in satisfaction of claims	4,25,91	4,25,91
VI.	Others	17636,79,63	30365,63,56
	Total	**43545,90,21**	**47892,02,89**

SCHEDULE 12 - CONTINGENT LIABILITIES

(000s omitted)

		As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
I.	Claims against the bank not acknowledged as debts	13568,57,28	6194,60,47
II.	Liability for partly paid investments	2,80,00	2,80,00
III.	Liability on account of outstanding forward exchange contracts	573861,67,93	471913,15,90
IV.	Guarantees given on behalf of constituents		
	(a) In India	103663,00,11	95428,29,37
	(b) Outside India	71539,24,21	77481,61,57
V.	Acceptances, endorsements and other obligations	125106,49,61	126672,56,77
VI.	Other items for which the bank is contingently liable	129588,16,31	148681,02,81
	Total	**1017329,95,45**	**926374,06,89**

STATE BANK OF INDIA

PROFIT AND LOSS ACCOUNT for the year ended 31st March, 2014

(000s omitted)

		Schedule No.	Year ended 31.03.2014 (Current Year) ₹	Year ended 31.03.2013 (Previous Year) ₹
I.	**INCOME**			
	Interest earned	13	136350,80,39	119655,10,00
	Other Income	14	18552,91,64	16036,84,23
	Total		**154903,72,03**	**135691,94,23**
II.	**EXPENDITURE**			
	Interest Expended	15	87068,63,25	75325,79,65
	Operating expenses	16	35725,85,13	29284,42,23
	Provisions and contingencies		21218,06,48	16976,73,86
	Total		**144012,54,86**	**121586,95,74**
III.	**PROFIT**			
	Net Profit for the year		10891,17,17	14104,98,49
	Profit brought forward		33,93	33,93
	Total		**10891,51,10**	**14105,32,42**
IV.	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		3339,61,91	4417,86,08
	Transfer to Capital Reserve		216,75,30	19,16,96
	Transfer to Revenue and other Reserves		4796,63,50	6453,26,04
	Dividend for the previous year paid during the year (including Tax on Dividend)		1,45	-
	Dividend for the current year			
	(i) Interim Dividend		1119,85,96	-
	(ii) Final Dividend Proposed		1119,85,96	2838,74,09
	Tax on Dividend for the Current year		298,44,54	375,95,32
	Balance carried over to Balance Sheet		32,48	33,93
	Total		**10891,51,10**	**14105,32,42**
	Basic Earnings per Share		₹ 156.76	₹ 210.06
	Diluted Earnings per Share		₹ 156.76	₹ 210.06
	Significant Accounting Policies	17		
	Notes to Accounts	18		

SCHEDULES

SCHEDULE 13 - INTEREST EARNED

(000s omitted)

		Year ended 31.03.2014 (Current Year) ₹	Year ended 31.03.2013 (Previous Year) ₹
I.	Interest / discount on advances / bills	102484,10,37	90537,09,93
II.	Income on investments	31941,87,36	27198,63,17
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	409,30,71	545,13,73
IV.	Others	1515,51,95	1374,23,17
	Total	**136350,80,39**	**119655,10,00**

SCHEDULE 14 - OTHER INCOME

(000s omitted)

		Year ended 31.03.2014 (Current Year) ₹	Year ended 31.03.2013 (Previous Year) ₹
I.	Commission, exchange and brokerage	12611,29,65	11483,71,60
II.	Profit/(Loss) on sale of investments (Net)	2279,40,50	1101,91,53
III.	Profit/(Loss) on revaluation of investments (Net)	(202,68,32)	(3,78,17)
IV.	Profit/(Loss) on sale of land, buildings and other assets (Net)	(38,64,16)	(32,71,93)
V.	Profit/(Loss) on exchange transactions (Net)	1895,27,58	1583,08,64
VI.	Income earned by way of dividends, etc., from subsidiaries/ companies and/ or joint ventures abroad/ in India	496,85,99	715,51,40
VII.	Income from financial lease	2,57,65	55,36
VIII	Miscellaneous Income	1508,82,75	1188,55,80
	Total	**18552,91,64**	**16036,84,23**

SCHEDULE 15 - INTEREST EXPENDED

(000s omitted)

		Year ended 31.03.2014 (Current Year) ₹	Year ended 31.03.2013 (Previous Year) ₹
I.	Interest on deposits	77885,70,69	67464,54,74
II.	Interest on Reserve Bank of India / Inter-bank borrowings	5150,79,30	4124,10,58
III.	Others	4032,13,26	3737,14,33
	Total	**87068,63,25**	**75325,79,65**

SCHEDULES

SCHEDULE 16 - OPERATING EXPENSES

(000s omitted)

		Year ended 31.03.2014 (Current Year) ₹	Year ended 31.03.2013 (Previous Year) ₹
I.	Payments to and provisions for employees	22504,27,73	18380,90,24
II.	Rent, taxes and lighting	2958,82,55	2438,83,79
III.	Printing and stationery	344,84,96	297,01,73
IV.	Advertisement and publicity	278,25,69	384,35,26
V.	(a) Depreciation on Bank's property (other than Leased Assets)	1333,93,66	1139,60,76
	(b) Depreciation on Leased Assets	-	-
VI.	Directors' fees, allowances and expenses	1,08,57	73,37
VII.	Auditors' fees and expenses (including branch auditors' fees and expenses)	168,34,19	124,62,60
VIII.	Law charges	192,55,28	133,90,64
IX.	Postages, Telegrams, Telephones, etc.	673,51,37	515,64,34
X.	Repairs and maintenance	434,00,14	393,53,33
XI.	Insurance	1468,43,71	1200,71,99
XII.	Other expenditure	5367,77,28	4274,54,18
	Total	**35725,85,13**	**29284,42,23**

SCHEDULE 17- SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Preparation:

The Bank's financial statements are prepared under the historical cost convention, on the accrual basis of accounting on going concern basis, unless otherwise stated and conform in all material aspects to Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, regulatory norms/guidelines prescribed by the Reserve Bank of India (RBI), Banking Regulation Act 1949, Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and the practices prevalent in the banking industry in India.

B. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

C. Significant Accounting Policies:

1. Revenue recognition:

1.1 Income and expenditure are accounted on accrual basis, except otherwise stated. As regards Banks' foreign offices, income and expenditure are recognised as per the local laws of the country in which the respective foreign office is located.

1.2 Interest income is recognised in the Profit and Loss Account as it accrues except: (i) income from Non-Performing Assets (NPAs), comprising of advances, leases and investments, which is recognised upon realisation, as per the prudential norms prescribed by the RBI/ respective country regulators in the case of foreign offices (hereafter collectively referred to as Regulatory Authorities), (ii) overdue interest on investments and bills discounted, (iii) Income on Rupee Derivatives designated as "Trading", which are accounted on cash basis

1.3 Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, the profit on sale of investments in the 'Held to Maturity' category is appropriated (net of applicable taxes and amount required to be transferred to statutory reserve), to 'Capital Reserve Account'.

1.4 Income from finance leases is calculated by applying the interest rate implicit in the lease to the net investment outstanding in the lease, over the primary lease period. Leases effective from April 1, 2001 are accounted as advances at an amount equal to the net investment in the lease as per Accounting standard 19-Leases issued by ICAI. The lease rentals are apportioned between principal and finance income based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of finance leases. The principal amount is utilized for reduction in balance of net investment in lease and finance income is reported as interest income.

1.5 Income (other than interest) on investments in "Held to Maturity" (HTM) category acquired at a discount to the face value, is recognised as follows :

a. On Interest bearing securities, it is recognised only at the time of sale/ redemption.

b. On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

1.6 Dividend is accounted on an accrual basis where the right to receive the dividend is established.

1.7 All other commission and fee incomes are recognised on their realisation except for: (i) Guarantee commission on deferred payment guarantees, which is spread over the period of the guarantee; (ii) Commission on Government Business and ATM interchange fees, which are recognised as they accrue; and (iii) Upfront fees on restructured accounts, which is apportioned over the restructured period.

1.8 One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over average loan period of 15 years.

1.9 Brokerage, Commission etc. Paid/ incurred in connection with issue of Bonds / Deposits are amortized over the tenure of the related Bonds / Deposits and the expenses incurred in connection with the issue are charged upfront.

1.10 The sale of NPA is accounted as per guidelines prescribed by RBI :-

i. When the bank sells its financial assets to Securitisation Company (SC)/Reconstruction Company (RC), the same is removed from the books.

ii. If the sale is at a price below the net book value (NBV) (i.e., book value less provisions held), the shortfall is debited to the profit and loss account of the year of sale.

iii. If the sale is for a value higher than the NBV, the excess provison is reversed in the year the amounts are received, as permitted by the RBI.

2. Investments:

The transactions in Government Securities are recorded on "Settlement Date". Investments other than Government Securities are recorded on "Trade Date".

2.1 Classification

Investments are classified into three categories, viz. Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT)

2.2 Basis of classification:

i. Investments that the Bank intends to hold till maturity are classified as "Held to Maturity (HTM)".

ii. Investments that are held principally for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)".

iii. Investments, which are not classified in the above two categories, are classified as "Available for Sale (AFS)".

iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.

v. Investments in subsidiaries, joint ventures and associates are classified as HTM.

2.3 Valuation:

i. In determining the acquisition cost of an investment:

(a) Brokerage/commission received on subscriptions is reduced from the cost.

(b) Brokerage, commission, securities transaction tax etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.

(c) Broken period interest paid / received on debt instruments is treated as interest expense/income and is excluded from cost/ sale consideration.

(d) Cost is determined on the weighted average cost method for investments under AFS and HFT category and on FIFO basis (first in first out) for investments under HTM category.

ii. Transfer of securities from HFT/AFS category to HTM category is carried out at the lower of acquisition cost/book value/market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out on acquisition price/ book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.

iii. Treasury Bills and Commercial Papers are valued at carrying cost.

iv. Held to Maturity category: a) Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head "interest on investments". b) Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost. A provision is made for diminution, other than temporary, for each investment individually. c) Investments in Regional Rural Banks are valued at carrying cost (i.e. book value).

v. Available for Sale and Held for Trading categories: Investments held under AFS and HFT categories are individually revalued at the market price or fair value determined as per Regulatory guidelines, and only the net depreciation of each group for each category is provided for and net appreciation, is ignored. On provision for depreciation, the book value of the individual securities remains unchanged after marking to market.

vi. In case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognised at lower of (i) Net Book Value (NBV) (i.e., book value less provisions held) of the financial asset and (ii) Redemption of SR. Security receipts issued by an asset reconstruction company (ARC) are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the security receipts issued by the 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 ARC, is reckoned for valuation of such investments.

vii. Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in the case of domestic offices and respective regulators in the case of foreign offices. Investments of domestic offices become non-performing where:

(a) Interest/installment (including maturity proceeds) is due and remains unpaid for more than 90 days.

(b) In the case of equity shares, in the event the investment in the shares of any company is valued at Re. 1 per company on account of the non availability of the latest balance sheet, those equity shares would be reckoned as NPI.

(c) If any credit facility availed by the issuer is NPA in the books of the Bank, investment in any of the securities issued by the same issuer would also be treated as NPI and vice versa.

(d) The above would apply mutatis-mutandis to preference shares where the fixed dividend is not paid.

(e) The investments in debentures/bonds, which are deemed to be in the nature of advance, are also subjected to NPI norms as applicable to investments.

(f) In respect of foreign offices, provisions for non performing investments are made as per the local regulations or as per the norms of RBI, whichever is higher.

viii. Accounting for Repo/ reverse repo transactions (other than transactions under the Liquidity Adjustment Facility (LAF) with the RBI)

(a) The securities sold and purchased under Repo/ Reverse repo are accounted as Collateralized lending and borrowing transactions. However, securities are transferred as in the case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo A/c is classified under schedule 4 (Borrowings) and balance in Reverse Repo A/c is classified under schedule 7 (Balance with Banks and Money at Call & Short Notice).

(b) Securities purchased / sold under LAF with RBI are debited / credited to Investment Account and reversed on maturity of the transaction. Interest expended / earned thereon is accounted for as expenditure / revenue.

3. Loans /Advances and Provisions thereon:

3.1 Loans and Advances are classified as performing and non-performing, based on the guidelines issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where:

i. In respect of term loans, interest and/or instalment of principal remains overdue for a period of more than 90 days;

ii. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance-sheet, or if the credits are not adequate to cover the interest due during the same period;

iii. In respect of bills purchased/discounted, the bill remains overdue for a period of more than 90 days;

iv. In respect of agricultural advances for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons;

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

3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.

3.6 For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loan before and after restructuring is provided for, in addition to provision for NPAs. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, 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 Net NPAs.

4. Floating Provisions:

The Bank has a policy for creation and utilisation of floating provisions separately for advances, investments and general purpose. The quantum of floating provisions to be created is assessed at the end of each financial year. The floating provisions are utilised only for contingencies under extra ordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

5. Provision for Country Exposure:

In addition to the specific provisions held according to the asset classification status, provisions are held for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in schedule 5 of the balance sheet under the "Other liabilities & Provisions – Others".

6. Derivatives:

6.1 The Bank enters into derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, and cross currency interest rate swaps and forward rate agreements in order to hedge on-balance sheet/off-balance sheet assets and liabilities or for trading purposes. The swap contracts entered to hedge on-balance sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments is correlated with the movement of the underlying assets and accounted in accordance with the principles of hedge accounting.

6.2 Derivative contracts classified as hedge are recorded on accrual basis. Hedge contracts are not marked to market unless the underlying Assets / Liabilities are also marked to market.

6.3 Except as mentioned above, all other derivative contracts are marked to market as per the generally accepted accounting practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the profit and loss account in the period of change. Any receivable under derivatives contracts, which remain overdue for more than 90 days, are reversed through profit and loss account to "Suspense A/c 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 A/c - 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 been considered to arrive at Mark to Market value for forex Over the Counter options.

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

7. Fixed Assets Depreciation and Amortisation:

7.1 Fixed assets are carried at cost less accumulated depreciation/ amortisation.

7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefits from such assets or their functioning capability.

7.3 The rates of depreciation and method of charging depreciation in respect of domestic operations are as under:

Sr. No.	Description of fixed assets	Method of charging depreciation	Depreciation/ amortisation rate
1	Computers & ATM	Straight Line Method	33.33% every year
2	Computer software forming an integral part of hardware	Straight Line Method	33.33% every year
3	Computer Software which does not form an integral part of hardware	-	100% depreciated in the year of acquisition
4	Assets given on financial lease upto 31st March 2001	Straight Line Method	At the rate prescribed under the Companies Act,
5	Other fixed assets	Written down value method	At the rate prescribed under the Income-tax Rules, 1962

7.4 In respect of assets acquired during the year for domestic operations, depreciation is charged for half a year in respect of assets used for up to 180 days and for the full year in respect of assets used for more than 180 days, except depreciation on computers and software, which is charged for the full year irrespective of the period for which the asset was put to use.

7.5 Items costing less than Rs. 1,000 each are charged off in the year of purchase.

7.6 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease and the lease rent is charged in the respective year(s).

7.7 In respect of assets given on lease by the Bank on or before 31st March 2001, the value of the assets given on lease is disclosed as Leased Assets under fixed assets, and the difference between the annual lease charge (capital recovery) and the depreciation is taken to Lease Equalisation Account.

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

8. Leases:

The asset classification and provisioning norms applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

9. Impairment of Assets:

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

10. Effect of changes in the foreign exchange rate:

10.1 Foreign Currency Transactions

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

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

iii. Foreign currency non-monetary items, which are carried in terms at historical cost, are reported using the exchange rate at 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 at the balance sheet date, are 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 of the Bank and Offshore Banking Units 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.

iii. Exchange differences arising on net investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the net investment.

iv. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country.

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 exchange rates notified by FEDAI at the balance sheet date and the resulting profit/loss is included in the profit and loss account.

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

11. Employee Benefits:

11.1 Short Term Employee Benefits:

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

11.2 Long Term Employee Benefits

i. Defined Benefit Plan

a. The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a trust established for this purpose and are charged to Profit and

Loss Account. The Bank recognizes such annual contributions as an expense in the year to which it relates. Shortfall if any is provided for on the basis of actuarial valuation.

b. The Bank operates gratuity and pension schemes which are defined benefit plans.

   i) The Bank provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, 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 a maximum amount of Rs. 10 lacs. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by trustees based on an independent external actuarial valuation carried out annually.

   ii) The Bank provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the pension fund at 10% of salary in terms of SBI Pension Fund Rules. The pension liability is reckoned based on an independent actuarial valuation carried out annually and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

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

ii. Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/ employees joining the Bank on or after 1st August, 2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing SBI Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in the Bank and earn interest at the same rate as that of the current account of Provident Fund balance. The Bank recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

iii. Other Long Term Employee benefits:

a. All eligible employees of the Bank are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long term employee benefits are internally funded by the Bank.

b. The cost of providing other long term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date. Past service cost is immediately recognised in the statement of profit and loss and is not deferred.

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

12. Taxes on income:

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - Accounting for Taxes on Income respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions. Deferred tax adjustments comprise 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/virtually certain.

13. Earnings per Share:

13.1 The Bank reports basic and diluted earnings per share in accordance with AS 20 -'Earnings per Share' issued by the ICAI. Basic Earnings per Share are computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.

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

14. Provisions, Contingent Liabilities and Contingent Assets:

14.1 In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognises provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

14.2 No provision is recognised for:

i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or

ii. any present obligation that arises from past events but is not recognised because:

a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

b. a reliable estimate of the amount of obligation cannot be made.

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

14.3 Provision for reward points in relation to the debit card holders of the Bank is being provided for on actuarial estimates.

14.4 Contingent Assets are not recognised in the financial statements.

15. Bullion Transactions:

The Bank imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on price quoted by the supplier. The Bank earns a fee on such wholesale 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.

16. Special Reserves

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

17. Share Issue Expenses:

Share issue expenses are charged to the Share Premium Account.

SCHEDULE – 18: NOTES TO ACCOUNTS

18.1 Capital

1. Capital Ratio

(Amount in ₹ Crores)

AS PER BASEL II

Sr. No.	Items	As at 31 Mar 2014	As at 31 Mar 2013
(i)	Common Equity Tier 1 Capital Ratio (%)	N.A.	
(ii)	Tier 1 capital ratio (%)	9.98 %	9.49 %
(iii)	Tier 2 capital ratio (%)	2.98 %	3.43 %
(iv)	Total Capital Ratio (%)	12.96 %	12.92 %

AS PER BASEL III

Sr. No.	Items	As at 31 Mar 2014	As at 31 Mar 2013
(i)	Common Equity Tier 1 Capital Ratio (%)	9.59 %	
(ii)	Tier 1 capital ratio (%)	9.72 %	N.A.
(iii)	Tier 2 capital ratio (%)	2.72 %	
(iv)	Total Capital Ratio (%)	12.44 %	
(v)	Percentage of the Shareholding of Government of India	58.60 %	62.31%
(vi)	Number of Shares held by Government of India	43,74,59,825	42,62,41,140
(vii)	Amount of Equity Capital raised	10,031.65	3,004.07
(viii)	Amount of Additional Tier 1 capital raised of which		
	a) PNCPS:	-	-
	b) PDI:	-	-
(ix)	Amount of Tier 2 capital raised of which		
	a) Debt Capital instruments:	2000	-
	b) Preference Share Capital Instruments: {Perpetual Cumulative Preference Shares (PCPS)/Redeemable Non-cumulative Preference Shares (RNCPS)/Redeemable Cumulative Preference Shares (RCPS)}	-	-

2. Share Capital

a) During the year , the Bank has allotted 1,12,18,685 shares of ₹ 10/- each for cash at a premium of ₹ 1772.74 per equity share aggregating to ₹ 2000 crores under Preferential Allotment to GOI. Out of the total subscription of ₹ 2000 crores received from GOI, an amount of ₹ 11.22 crores was transferred to Share Capital Account and ₹ 1988.78 crores to Share Premium Account.

b) The Bank has also allotted 5,13,20,436 equity shares of ₹ 10/- each under Qualified Institutions Placement (QIP) for cash at a premium of ₹ 1,555/- per equity share aggregating to ₹ 8031.65 crores. Out of the total subscription received though QIP, an amount of ₹ 51.32 crores was transferred to Share Capital Account and ₹ 7980.33 crores to Share Premium Account.

c) The Bank has kept in abeyance the allotment of 83,075 (Previous Year 83,075) Equity Shares of ₹ 10/- each issued as a part of Rights issue - 2008, since they are subject to title disputes or are subjudice.

d) Expenses in relation to the issue of shares: ₹ 25.62 crores (Previous Year ₹ 3.73 crores) debited to Share Premium Account.

3. Innovative Perpetual Debt Instruments (IPDI)

A. Foreign

The details of IPDI issued in foreign currency, which qualify for Hybrid Tier I Capital and outstanding are as under:

₹ In crores

Particulars	Date of Issue	Tenor	Amount	Equivalent ₹ as on 31 Mar 2014	Equivalent ₹ as on 31 Mar 2013
Bond issued under the MTN Programme - 12th series*	15.02.2007	Perpetual Non call 10.25 years	USD 400 million	2396.60	2,171.40
Bond issued under the MTN Programme - 14th series#	26.06.2007	Perpetual Non call 10 yrs 1day	USD 225 million	1348.09	1,221.41
Total			**USD 625 million**	**3,744.69**	**3,392.81**

* If the Bank does not exercise call option by 15th May 2017, the interest rate will be raised and fixed rate will be converted to floating rate.

If the Bank does not exercise call option by 27th June 2017, the interest rate will be raised and fixed rate will be converted to floating rate.

These bonds are unsecured bonds and are listed in Singapore stock exchange.

B. Domestic

The details of outstanding domestic IPDIs are as under:-

₹ In crores

SL. NO.	Nature of Bonds	Principal Amount	Date of Issue	Rate of Interest % p.a.
1	SBI NON CONVERTIBLE PERPETUAL BONDS 2009-10 (Tier I) Series I	1,000	14.08.2009	9.10
2	SBI NON CONVERTIBLE PERPETUAL BONDS 2009-10 (Tier I) Series II	1,000	27.01.2010	9.05
3	SBI NON CONVERTIBLE PERPETUAL BONDS 2007-08 SBIN Series VI (Tier I)	165	28.09.2007	10.25
TOTAL		**2,165***		

*Includes ₹ 2,000 crores raised during the F.Y. 2009-10, of which ₹ 550 crores invested by SBI Employee Pension Fund, not reckoned for the purpose of Tier I Capital as per RBI instructions.

4. Subordinated Debts

The bonds are unsecured, long term, non–convertible and are redeemable at par.

The details of outstanding subordinate debts are as under:-

Sr. No.	Nature Of Bonds	Principal Amount	Date Of Issue /Date Of Redemption	Rate Of Interest % P.A.	Maturity Period In Months
1	SBI NON CONVERTIBLE (Private placement) Bonds 2005 (Lower Tier II)	3,283.00	05.12.2005 05.05.2015	7.45	113
2	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (Upper Tier II)	2,327.90	05.06.2006 05.06.2021	8.80	180
3	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (II) (Upper Tier II)	500.00	06.07.2006 06.07.2021	9.00	180
4	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (III) (Upper Tier II)	600.00	12.09.2006 12.09.2021	8.96	180
5	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (IV) (Upper Tier II)	615.00	13.09.2006 13.09.2021	8.97	180
6	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (V) (Upper Tier II)	1,500.00	15.09.2006 15.09.2021	8.98	180
7	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (VI) (Upper Tier II)	400.00	04.10.2006 04.10.2021	8.85	180
8	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (VII) (Upper Tier II)	1,000.00	16.10.2006 16.10.2021	8.88	180
9	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (VIII) (Upper Tier II)	1,000.00	17.02.2007 17.02.2022	9.37	180
10	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (IX) (Lower Tier II)	1,500.00	28.03.2007 27.06.2016	9.85	111
11	SBI NON CONVERTIBLE (Private placement) Bonds 2007-08 (I) (Upper Tier II)	2,523.50	7.06.2007 7.06.2022	10.20	180
12	SBI NON CONVERTIBLE (Private placement) Bonds 2007-08 (II) (Upper Tier II)	3,500.00	12.09.2007 12.09.2022	10.10	180
13	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09 (I) (Upper Tier II)	2,500.00	19.12.2008 19.12.2023	8.90	180
14	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09(II) (Lower Tier II)	1,500.00	29.12.2008 29.06.2018	8.40	114

Sr. No.	Nature Of Bonds	Principal Amount	Date Of Issue /Date Of Redemption	Rate Of Interest % P.A.	Maturity Period In Months
15	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09 (III) (Upper Tier II)	2,000.00	02.03.2009 02.03.2024	9.15	180
16	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09 (IV) (Lower Tier II)	1,000.00	06.03.2009 06.06.2018	8.95	111
17	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09 (V) (Upper Tier II)	1,000.00	06.03.2009 06.03.2024	9.15	180
18	SBI NON CONVERTIBLE (Private placement) Bonds 2005-06 SBS (Series I) (Lower Tier II)	200.00	09.03.2006 09.06.2015	8.15	111
19	SBI NON CONVERTIBLE (Private placement) Bonds 2006-07 SBS (Series II)(Lower Tier II)	225.00	30.03.2007 30.06.2016	9.80	111
20	SBI NON CONVERTIBLE (Private placement) Bonds 2004-05 SBIN (Series I) (Lower Tier II)	200.00	15.02.2005 15.05.2014	7.20	111
21	SBI NON CONVERTIBLE (Private placement) Bonds 2005-06 SBIN (Series II) (Lower Tier II)	140.00	29.09.2005 29.09.2015	7.45	120
22	SBI NON CONVERTIBLE (Private placement) Bonds 2005-06 SBIN (Series III) (Lower Tier II)	110.00	28.03.2006 28.03.2016	8.70	120
23	SBI NON CONVERTIBLE (Private placement) Bonds 2006-07 SBIN (Series IV) (Upper Tier II)	100.00	29.12.2006 29.12.2021	8.95	180
24	SBI NON CONVERTIBLE (Private placement) Bonds 2006-07 SBIN (Series V) (Upper Tier II)	200.00	22.03.2007 22.03.2022	10.25	180
25	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09 SBIN (SERIES VII) (Upper Tier II)	250.00	24.03.2009 24.03.2024	9.17	180
26	SBI Public Issue of Lower Tier II Non-Convertible Bonds 2010 (Series I)	133.08	04.11.2010 04.11.2020	9.25	120
27	SBI Public Issue of Lower Tier II Non- Convertible Bonds 2010 (Series II)	866.92	04.11.2010 04.11.2025	9.50	180
28	SBI Public Issue of Lower Tier II Non- Convertible Bonds 2011 Retail (Series 3)	559.40	16.03.2011 16.03.2021	9.75	120
29	SBI Public Issue of Lower Tier II Non- Convertible Bonds 2011 Non Retail (Series 3)	171.68	16.03.2011 16.03.2021	9.30	120
30	SBI Public Issue of Lower Tier II Non- Convertible Bonds 2011 Retail (Series 4)	3,937.60	16.03.2011 16.03.2026	9.95	180
31	SBI Public Issue of Lower Tier II Non- Convertible Bonds 2011 Non Retail (Series 4)	828.32	16.03.2011 16.03.2026	9.45	180
32.	SBI NON CONVERTIBLE (Private Placement) Bonds 2013-14 (Tier II)	2000.00	02.01.2014 02.01.2024	9.69	120
TOTAL		**36,671.40**			

18.2. Investments

1. The Details of investments and the movement of provisions held towards depreciation on investments of the Bank are given below:

₹ In crores

Particulars	As at 31 Mar 2014	As at 31 Mar 2013
1. Value of Investments		
i) Gross value of Investments		
(a) In India	3,74,699.15	3,30,718.38
(b) Outside India	25,156.85	21,257.57
ii) Provisions for Depreciation		
(a) In India	650.60	725.47
(b) Outside India	897.21	372.98
iii) Net value of Investments		
(a) In India	3,74,048.55	3,29,992.91
(b) Outside India	24,259.64	20,884.59
2. Movement of provisions held towards depreciation on investments		
i) Opening Balance	1,098.45	2,139.32
ii) Add: Provisions made during the year	1,337.20	303.44
iii) Less: Foreign Exchange revaluation adjustment / utilisation during the year	113.89	79.58
iv) Less: Write back of excess provision during the year.	773.95	1,264.73
v) Closing balance	1,547.81	1,098.45

Notes:

a. Investments in Government Securities is net of ₹ 25,852 crores and ₹ 28,250 crores utilised under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) with RBI respectively.

b. Securities amounting to ₹ 6,587.88 crores are kept as margin with Clearing Corporation of India Limited/NSCCL/ MCX/ USEIL towards Securities Settlement.

c. In compliance to Securities Contract Regulations (Amendment) Rules, 2010 on public share holding, State Bank of Mysore (SBM) has issued 12,13,630 equity shares to Qualified Institutional Buyers through Institutional Placement Programme (IPP). Consequently stake of SBI in SBM has come down from 92.33% to 90% and public shareholding has increased to 10%.

d. During the year the Bank infused additional capital in SBI General Insurance Company Limited ₹ 185.00 crores and State Bank of Patiala ₹ 462.00 crores, without any change in stake.

e. SBI has incorporated a wholly owned subsidiary, State Bank of India (Botswana) Ltd. and invested capital equivalent to ₹ 47.37 crores.

f. SBI has acquired an additional stake of 23% in its subsidiary, PT Bank SBI Indonesia, at ₹ 258 crores, after which the stake of SBI is increased to 99%. Further, SBI has infused additional amount of ₹ 157.27 crores in proportion to its share in PT Bank SBI Indonesia.

g. SBI has acquired an additional stake of 2.96% in its subsidiary, SBI (Mauritius) Ltd., by investing ₹ 24.42 crores, after which the stake of SBI is increased to 96.36%.

h. During the year the Bank has infused additional capital, without any change in stake, in the following RRBs:-

₹ In crores

Regional Rural Banks	Amount
Puravanchal Gramin Bank	11.73
Chhattisgarh Rajya Gramin Bank	31.56
Mizoram Rural Bank	6.53
Total	**49.82**

i. The Bank exited from two RRBs as per details given below

₹ In crores

Name of Entity	Amount
Krishna Grameena Bank	6.92
Parvatiya Gramin Bank	1.32
Total	**8.24**

2. 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 crores

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as on 31st March 2014
Securities sold under repos				
i. Government Securities	-	60,000.00	19,082.92	54,102.00
	(-)	(44,000.00)	(15,910.39)	(42,000.00)
ii. Corporate Debt Securities	442.80	2,166.74	496.99	795.82
	(-)	(135.30)	(33.36)	(-)
Securities purchased under reverse repos				
i. Government Securities	5.77	6,278.73	278.22	-
	(9.02)	(12057.64)	(499.47)	(20.65)
ii. Corporate Debt securities	-	-	-	-
	(-)	(-)	(-)	(-)

(Figures in brackets are for Previous Year)

3. Non-SLR Investment Portfolio

a) Issuer composition of Non SLR Investments

The issuer composition of Non-SLR investments of the Bank is given below:

₹ In crores

Sl. No.	Issuer	Amount	Extent of Private Placement	Extent of "Below Investment Grade" Securities *	Extent of "Unrated" Securities *	Extent of "Unlisted" Securities *
(i)	PSUs	12,884.38	2,381.60	571.62	714.96	829.48
		(12063.43)	(825.29)	(-)	(-)	(19.45)
(ii)	FIs	11,488.61	2,377.99	-	-	200.00
		(10803.72)	(2868.58)	(-)	(-)	(216.20)
(iii)	Banks	19,883.51	5,515.59	27.41	-	192.10
		(21522.63)	(10386.50)	(-)	(-)	(205.54)
(iv)	Private Corporates	20,300.37	4,862.92	184.09	1,143.91	126.37
		(13558.81)	(5327.61)	(1,345.57)	(504.11)	(118.62)
(v)	Subsidiaries /	8,340.29	-	-	-	-
	Joint Ventures **	(7,070.77)	(-)	(-)	(-)	(-)
(vi)	Others	18,760.03	-	119.34	499.09	375.77
		(17696.21)	(-)	(-)	(393.23)	(195.14)
(vii)	Provision held	1547.81	-	-	337.13	-
	towards depreciation	(1,098.29)	(-)	(-)	(262.15)	(-)
	Total	**90,109.38**	**15,138.10**	**902.46**	**2,020.83**	**1,723.72**
		(81617.28)	**(19407.98)**	**(1,345.57)**	**(635.19)**	**(754.95)**

(Figures in brackets are for Previous Year)

* Investment in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central 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.

Others include an amount of ₹ 11,321.50 crores (Previous Year ₹ 13,330.20) under RIDF Scheme of NABARD and ₹ 1,141.60 crores (Previous Year ₹ 552.22) under Urban & Rural Housing Fund of NABARD.

b) Non Performing Non-SLR Investments

₹ In crores

Particulars	Current Year	Previous Year
Opening Balance	1042.49	860.50
Additions during the year	206.11	311.11
Reductions during the year	313.37	129.12
Closing balance	935.23	1042.49
Total provisions held	**892.29**	**894.86**

c) Sales And Transfers Of Securities To/From HTM Category

The value of sales and transfers of securities to/from HTM Category does not exceed 5% of the book value of investment held in HTM category at the beginning of the year.

18.3 Derivatives

A. Forward Rate Agreements / Interest Rate Swaps

₹ In crores

Particulars	As at 31 Mar 2014	As at 31 Mar 2013
i) The notional principal of swap agreements	1,53,015.27	1,60,156.94#
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	2,830.11	4,078.75
iii) Collateral required by the Bank upon entering into swaps	Nil	Nil
iv) Concentration of credit risk arising from the swaps	Not significant	Not significant
v) The fair value of the swap book	987.06	2,318.49

IRS/FRA amounting to ₹ 10,338.05 crores entered with the Bank's own foreign offices are not shown here as they are for hedging of FCNB corpus and hence not marked to market.

B. Exchange Traded Interest Rate Derivatives

₹ In crores

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 Security	888.23	Nil
2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March 2014		
A	Interest Rate Futures	Nil	Nil
B	10 Year Government of India Security	2.00	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. Credit Default Swaps

₹ In crores

Sr. No.	Particulars	Current Year As Protection Buyer	Current Year As Protection Seller	Previous Year As Protection Buyer	Previous Year As Protection Seller
1.	No. of transactions during the year				
	a) of which transactions that are/may be physically settled	Nil	Nil	Nil	3
	b) cash settled	Nil	Nil	Nil	Nil
2.	Amount of protection bought / sold during the year				
	a) of which transactions which are/ may be physically settled	Nil	Nil	Nil	Nil
	b) cash settled	Nil	Nil	Nil	Nil
3.	No. of transactions where credit event payment was received / made during the year				
	a) pertaining to current year's transactions	Nil	Nil	Nil	3
	b) pertaining to previous year(s)' transactions	Nil	Nil	Nil	Nil
4.	Net income/ profit (expenditure/ loss) in respect of CDS transactions during year-to-date:				
	a) premium paid / received	Nil	0.83	Nil	13.19
	b) Credit event payments:				
	• made (net of the value of assets realised)	Nil	Nil	Nil	108.57
	• received (net of value of deliverable obligation)	Nil	Nil	Nil	Nil
5.	Outstanding transactions as on March 31:				
	a) No. of Transactions	Nil	Nil	Nil	1
	b) Amount of protection	Nil	Nil	Nil	54.29
6.	Highest level of outstanding transactions during the year:				
	a) No. of Transactions (as on 1st April)	Nil	1	Nil	13
	b) Amount of protection (as on 1st April)	Nil	59.39	Nil	546.90

D. Disclosures on Risk Exposure in Derivatives

(A) Qualitative Disclosure

i. The Bank currently deals in over-the-counter (OTC) interest rate and currency derivatives as also in Interest Rate. Interest Rate Derivatives dealt by the Bank are rupee interest rate swaps, foreign currency interest rate swaps and forward rate agreements. Currency derivatives dealt by the Bank are currency swaps, rupee dollar options and cross-currency options. The products are offered to the Bank's customers to hedge their exposures and the Bank enters into derivatives contracts to cover such exposures. Derivatives are used by the Bank both for trading as well as hedging on balance sheet items. The Bank also deals in a mix of these generic instruments. The Bank has done Option deals and Structured Products with customers.

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/equity prices 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 (cut-loss triggers, open position limits, duration, modified duration, PV01 etc.) as well as customer eligibility criteria (credit rating, tenure of relationship, limits and customer appropriateness and suitability of policy (CAS) etc.) for entering into derivative transactions. Credit risk is controlled by entering into derivative transactions only with counterparties satisfying the criteria prescribed in the Policy. Appropriate limits are set for the counterparties taking into account their ability to honour obligations and the Bank enters into ISDA agreement with each counterparty.

iii. The Asset Liability Management Committee (ALCO) of the Bank oversees efficient management of these risks. The Bank's Market Risk Management Department (MRMD) identifies, measures, monitors market risk associated with derivative transactions, assists ALCO in controlling and managing these risks and reports compliance with policy prescriptions to the Risk Management Committee of the Board (RMCB) at regular intervals.

iv. The accounting policy for derivatives has been drawn-up in accordance with RBI guidelines, the details of which are presented under Schedule 17: Significant Accounting Policies (SAP) for the financial year 2013-14.

v. Interest Rate Swaps are mainly used at Foreign Offices for hedging of the assets and liabilities.

vi. Apart from hedging swaps, swaps at Foreign Offices consist of back to back swaps done at our Foreign Offices which are done mainly for hedging of FCNR deposits at Global Markets, Kolkata.

vii. Majority of the swaps were done with First class counterparty banks.

(B) Quantitative Disclosures

₹ In crores

Particulars	Currency Derivatives		Interest Rate Derivatives	
	Current Year	Previous Year	Current Year	Previous Year
(I) Derivatives				
(Notional Principal Amount)				
(a) For hedging	9,989.90@	8,325.96	60,742.05#	64,928.34
(b) For trading*	4,85,254.19	3,55,442.49	92,273.20	95,228.60#
(II) Marked to Market Positions				
(a) Asset	14,876.90	1,341.90	482.13	54.67
(b) Liability	18,761.24	Nil	256.11	Nil
(III) Credit Exposure	27,578.81	7,592.19	3,907.81	5,218.35
(IV) Likely impact of one percentage change in interest rate (100* PV01)				
(a) on hedging derivatives	0.05	(52.68)	(128.55)	(917.87)
(b) on trading derivatives	10.53	10.95	1.02	(196.69)
(V) Maximum and Minimum of 100* PV 01 observed during the year				
(a) on hedging -Maximum	0.08	Nil	49.11	(159.70)
- Minimum	0	(77.68)	(130.06)	(1,126.65)
(b) on trading – Maximum	16.49	15.22	59	885.78
- Minimum	(1.70)	(5.29)	(22.16)	(1,108.33)

@ The swaps amounting to ₹ 8,040.52 crores (Previous Year ₹ 6,574.73 crores) entered with the Bank's own foreign offices are not shown here as they are for hedging of FCNB corpus and hence not marked to market.

IRS/FRA amounting to ₹ 12,926.36 crores(Previous Year ₹ 10,338.05 crores) entered with the Bank's own Foreign offices are not shown here as they are for hedging of FCNB corpus and hence not marked to market.

* The forward contract deals with our own Foreign Offices are not included. Currency Derivatives - ₹ 531.58 crores (Previous Year ₹ 4349.04 crores) and Interest Rate Derivatives - ₹ 53.99 crores (Previous Year ₹ 167.53 crores)

1. The outstanding notional amount of derivatives done between Global Markets Unit and International Banking Group as on 31st March 2014 amounted to ₹ 21,552.45 crores (Previous Year ₹ 21,429.35 crores) and the derivatives done between SBI Foreign Offices as on 31st March 2014 amounted to ₹ 29,754.93 crores (Previous Year ₹ 35,082.63 crores).

2. The outstanding notional amount of interest rate derivatives which are not marked to market where the underlying Assets/ Liabilities are not marked to market as on 31st March 2014 amounted to ₹ 74,877.22 crores (₹ 80,144.28 crores).

3. Credit Default Swap : Outstanding as on 31st March 2014 amounted to ₹ NIL (Previous Year ₹ 54.29 crores).

18.4 Asset Quality

a) Non-Performing Asset

₹ In crores

Particulars	As at 31 Mar 2014	As at 31 Mar 2013
i) Net NPAs to Net Advances (%)	2.57%	2.10%
ii) Movement of NPAs (Gross)		
(a) Opening balance	51,189.39	39,676.46
(b) Additions (Fresh NPAs) during the year	41,216.67	31,993.35
Sub-total (I)	**92,406.06**	**71,669.81**
Less:		
(c) Reductions due to upgradations during the year	10,183.27	10,119.35
(d) Reductions due to recoveries (Excluding recoveries made from upgraded accounts)	7,734.94	4,766.30
(e) Technical/ Prudential Write-offs	Nil	Nil
(f) Reductions due to Write-offs during the year	12,882.50	5594.77
Sub-total (II)	**30,800.71**	**20,480.42**
(g) Closing balance (I-II)	61,605.35	51,189.39
iii) Movement of Net NPAs		
(a) Opening balance	21,956.48	15,818.85
(b) Additions during the year	22,293.57	17,825.95
(c) Reductions during the year	13,153.98	11,688.32
(d) Closing balance	31,096.07	21,956.48
iv) Movement of provisions for NPAs		
(a) Opening balance	29,232.91	23,857.61
(b) Provisions made during the year	18,923.10	14,167.40
(c) Write-off / write-back of excess provisions	17,646.73	8,792.10
(d) Closing balance	30,509.28	29,232.91

Opening and closing balances provision for NPAs include ECGC claims received and held pending adjustment of ₹ 71.12 crores (Previous Year ₹ 46.32 crores) and ₹ 69.30 crores (Previous Year ₹ 71.12 crores) respectively.

b) Restructured Accounts

₹ In crores

Sl. No.	Type of Restructuring		Under CDR Mechanism (1)					Under SME Debt Restructuring Mechanism (2)				
	Asset Classification		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
	Particulars											
1	Restructured Accounts as on April 1, 2013 (Opening position)	No. of Borrowers	105 (71)	10 (8)	30 (15)	0 (1)	145 (95)	326 (1642)	51 (146)	127 (226)	3 (1)	507 (2015)
		Amount outstanding	14914.32 (7112.82)	586.44 (340.09)	2119.60 (946.81)	0.00 (0.18)	17620.36 (8399.90)	2064.70 (2378.45)	450.71 (211.12)	522.11 (64.42)	0.34 (-)	3037.86 (2653.99)
		Provision thereon	1384.65 (794.41)	39.78 (17.02)	82.90 (141.36)	0.00 (-)	1507.33 (952.79)	106.89 (37.03)	66.20 (16.54)	52.92 (8.23)	0.00 (-)	226.01 (61.80)
2	Fresh Restructuring during the current FY *	No. of Borrowers	48 (66)	6 (4)	7 (14)	1 (-)	62 (84)	254 (201)	24 (33)	62 (31)	0 (1)	340 (266)
		Amount outstanding	11870.52 (9314.95)	691.25 (252.81)	867.57 (1539.78)	57.43 (-)	13486.76 (11107.54)	2656.82 (2500.14)	207.91 (324.97)	703.13 (293.95)	48.70 (0.04)	3616.55 (3119.10)
		Provision thereon	944.21 (868.52)	26.58 (34.79)	286.56 (487.89)	57.43 (-)	1314.78 (1391.20)	75.20 (81.43)	19.05 (27.87)	98.34 (11.48)	-2.74 (-)	189.85 (120.78)
3	Upgradation to restructured standard category during current FY	No. of Borrowers	1 (3)	2 (-1)	-3 (-2)	0 (-)	0 (-)	6 (9)	-4 (-8)	-2 (-1)	0 (-)	0 (-)
		Amount outstanding	126.84 (155.69)	17.59 (-48.66)	-144.43 (-107.03)	0.00 (-)	0.00 (-)	50.25 (12.29)	-50.25 (-12.29)	0.00 (-)	0.00 (-)	0.00 (-)
		Provision thereon	0.58 (67.39)	0.00 (-11.30)	-0.58 (-56.09)	0.00 (-)	0.00 (-)	6.08 (0.01)	-6.08 (-0.01)	0.00 (-)	0.00 (-)	0.00 (-)
4	Restructured Standard Advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standrad advances at the beginning of the next FY	No. of Borrowers	-9 (-15)				-9 (-15)	-10 (-1357)				-10 (-1357)
		Amount outstanding	-388.15 (-738.64)				-388.15 (-738.64)	-35.76 (-221.12)				-35.76 (-221.12)
		Provision thereon	-15.61 (-75.71)				-15.61 (-75.71)	-0.02 (-1.50)				-0.02 (-1.50)
5	Downgradations of restructured accounts during current FY	No. of Borrowers	-26 (-10)	0 (2)	24 (8)	2 (-)	0 (-)	-23 (-41)	-4 (9)	20 (28)	7 (4)	0 (-)
		Amount outstanding	-4830.76 (-813.81)	-441.39 (81.56)	4829.84 (732.25)	442.30 (-)	0.00 (-)	-418.37 (-315.50)	-73.51 (180.06)	454.73 (135.02)	37.15 (0.42)	0.00 (-)
		Provision thereon	-353.14 (-47.55)	-0.70 (4.47)	353.74 (43.08)	0.10 (-)	0.00 (-)	-49.08 (-4.02)	-8.99 (-2.22)	55.28 (6.24)	2.78 (-)	0.00 (-)
6	Write-offs of restructured accounts during current FY **	No. of Borrowers	9 (10)	5 (3)	18 (5)	0 (1)	32 (19)	70 (78)	32 (111)	129 (151)	1 (1)	232 (341)
		Amount outstanding	558.17 (116.69)	17.79 (39.36)	2606.14 (992.21)	0.00 (0.18)	3182.10 (1148.44)	483.36 (1788.61)	283.16 (161.13)	470.01 (-31.97)	0.02 (0.05)	1236.55 (1917.82)
		Provision thereon	324.37 (222.41)	5.31 (5.20)	201.89 (533.34)	57.43 (-)	589.00 (760.95)	21.86 (4.62)	47.29 (-24.74)	36.66 (-27.36)	0.00 (-)	105.81 (-47.48)
7	TOTAL Restructured Accounts as on 31st March, 2014 (Closing Position)#	No. of Borrowers	110 (105)	13 (10)	40 (30)	3 (-)	166 (145)	483 (376)	35 (69)	78 (133)	9 (5)	605 (583)
		Amount outstanding	21134.61 (14914.32)	836.09 (586.44)	5066.44 (2199.60)	499.74 (-)	27536.88 (17620.36)	3834.26 (2565.65)	251.71 (542.73)	1209.96 (525.36)	86.17 (0.41)	5382.10 (3634.15)
		Provision thereon	1636.32 (1384.65)	60.34 (39.78)	520.73 (82.90)	0.10 (-)	2217.49 (1507.33)	117.21 (108.33)	22.89 (66.92)	169.89 (53.31)	0.04 (-)	310.03 (228.56)

Sl. No.	Type of Restructuring		Others					TOTAL				
	Asset Classification		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
	Particulars											
1	Restructured Accounts as on April 1, 2013 (Opening position)	No. of Borrowers	5213 (6112)	676 (511)	411 (255)	49 (4)	6349 (6882)	5644 (7825)	737 (665)	568 (496)	52 (6)	7001 (8992)
		Amount outstanding	15248.66 (11909.60)	1914.98 (1105.01)	5236.83 (3998.70)	52.17 (65.91)	22452.63 (17079.21)	32227.68 (21400.87)	2952.13 (1656.22)	7878.54 (5009.93)	52.51 (66.09)	43110.86 (28133.10)
		Provision thereon	487.40 (204.30)	81.20 (88.36)	742.99 (660.32)	3.55 (60.05)	1315.13 (1013.03)	1978.94 (1035.74)	187.17 (121.92)	878.81 (809.91)	3.55 (60.05)	3048.47 (2027.62)
2	Fresh Restructuring during the current FY *	No. of Borrowers	772 (2211)	367 (134)	487 (88)	19 (6)	1645 (2439)	1074 (2478)	397 (171)	556 (133)	20 (7)	2047 (2789)
		Amount outstanding	10856.98 (9609.83)	834.37 (867.38)	1270.04 (715.12)	64.97 (0.18)	13026.36 (11192.50)	25384.32 (21424.92)	1733.52 (1445.16)	2840.73 (2548.85)	171.10 (0.22)	30129.68 (25419.14)
		Provision thereon	464.39 (280.31)	168.76 (41.17)	378.88 (55.88)	1.17 (0.07)	1013.20 (377.43)	1483.81 (1230.26)	214.39 (103.83)	763.78 (555.25)	55.86 (0.07)	2517.83 (1889.41)
3	Upgradation to restructured standard category during current FY	No. of Borrowers	66 (147)	-57 (-140)	-9 (-7)	0 (-)	0 (-)	73 (159)	-59 (-149)	-14 (-10)	0 (-)	(-) (-)
		Amount outstanding	288.60 (192.50)	-13.18 (-177.37)	-275.43 (-15.13)	0.00 (-)	0.00 (-)	465.69 (360.48)	-45.84 (-238.32)	-419.86 (-122.16)	0.00 (-)	(-) (-)
		Provision thereon	26.23 (94.07)	0.15 (-92.04)	-26.08 (-2.03)	0.00 (-)	0.00 (-)	32.89 (161.47)	-6.23 (-103.35)	-26.66 (-58.12)	0.00 (-)	(-) (-)
4	Restructured Standard Advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	-74 (-2480)				-74 (-2480)	-93 (-3852)				-93 (-3852)
		Amount outstanding	-3604.84 (-2661.65)				-3604.84 (-2661.65)	-4028.75 (-3621.41)				-4028.75 (-3621.41)
		Provision thereon	-5.48 (-17.08)				-5.48 (-17.08)	-21.11 (-94.29)				-21.11 (-94.29)
5	Downgradations of restructured accounts during current FY	No. of Borrowers	-950 (-550)	583 (322)	351 (189)	16 (39)	0 (-)	-999 (-601)	579 (333)	395 (225)	25 (43)	(-) (-)
		Amount outstanding	-2986.85 (-1622.59)	188.84 (639.80)	2616.86 (982.23)	181.15 (0.55)	0.00 (-)	-8235.98 (-2751.90)	-326.06 (901.42)	7901.43 (1849.50)	660.61 (0.97)	0.00 (-)
		Provision thereon	-88.79 (-64.85)	-28.57 (32.52)	108.72 (32.33)	8.65 (-)	0.00 (-)	-491.01 (-116.42)	-38.26 (34.77)	517.75 (81.65)	11.53 (-)	0.00 (-)
6	Write-offs of restructured accounts during current FY**	No. of Borrowers	1256 (277)	481 (169)	490 (120)	7 (2)	2234 (568)	1335 (365)	518 (283)	637 (276)	8 (4)	2498 (928)
		Amount outstanding	1720.94 (2679.99)	1096.01 (611.86)	2906.05 (447.34)	132.48 (14.54)	5855.47 (3753.72)	2762.47 (4585.29)	1396.96 (812.35)	5982.19 (1407.58)	132.50 (14.77)	10274.12 (6819.98)
		Provision thereon	195.76 (10.79)	47.36 (-10.47)	946.72 (3.90)	9.69 (56.58)	1199.54 (60.80)	541.99 (237.82)	99.96 (-30.01)	1185.28 (509.88)	67.12 (56.58)	1894.36 (774.27)
7	TOTAL Restructured Accounts as on 31st March, 2014 (Closing Position)#	No. of Borrowers	3771 (5163)	1088 (658)	750 (405)	77 (47)	5686 (6273)	4364 (5644)	1136 (737)	868 (568)	89 (52)	6457 (7001)
		Amount outstanding	18081.62 (14747.70)	1829.00 (1822.96)	5942.25 (5233.58)	165.81 (52.10)	26018.68 (21856.34)	43050.49 (32227.67)	2916.79 (2952.13)	12218.66 (7878.54)	751.72 (52.51)	58937.66 (43110.85)
		Provision thereon	688.00 (485.96)	173.87 (80.48)	257.78 (742.60)	3.66 (3.54)	1123.32 (1312.58)	2441.53 (1978.94)	257.10 (187.18)	948.40 (878.81)	3.81 (3.54)	3650.84 (3048.47)

* Fresh additions includes increase of outstanding balance of existing accounts amounting to ₹ 4,288.95 crores

** The Write off includes decrease due to closure of accounts amounting to Rs. 2688.68 crores and decrease in outstanding balance of existing accounts amounting to ₹ 1812.59 crores.

\# Excluding the standard restructured advances which do not attract higher provisioning or risk weight (if any).

c) Details of the stock of Technical Write-offs and the recoveries made thereon:

₹ In crores

Particulars	Current Year	Previous Year
i) Opening balance of Technical/ Prudential written-off accounts as at April 1	Nil	Nil
ii) Add: Technical/Prudential write-offs	Nil	Nil
iii) Sub-total (A)	Nil	Nil
iv) Less: Recoveries made from previously technical/ prudential written-off accounts during the year (B)	Nil	Nil
v) Closing balance as at March 31 (A-B)	Nil	Nil

d) Details of financial assets sold to Securitisation Company (SC) / Reconstruction Company (RC) for Asset Reconstruction

₹ In crores

Particulars	Current Year	Previous Year
i) No. of Accounts	255	2
ii) Aggregate value (net of provisions) of accounts sold to SC/RC	1,487.52	6.42
iii) Aggregate consideration*	1,604.92	27.11
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	Nil
v) Aggregate gain / (loss) over net book value	117.40	20.69

* Recognised and disclosed at lower of Net book value/sale price as per RBI Guidelines.

e) Details of non-performing financial assets purchased

₹ In crores

Particulars	Current Year	Previous Year
1) (a) No. of Accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
2) (a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

f) Details of non-performing financial assets sold

₹ In crores

Particulars	Current Year	Previous Year
1) No. of Accounts sold	236	6
2) Aggregate outstanding	3,725.90	139.96
3) Aggregate consideration received	1,672.98	45.84

g) Provision on Standard Assets

The Provision on Standard Assets held by the Bank as under:

₹ In crores

Particulars	As at 31 Mar 2014	As at 31 Mar 2013
Provision towards Standard Assets	6,575.43	5,289.58

h) Business Ratios

Particulars	Current Year	Previous Year
i. Interest Income as a percentage to Working Funds	7.57%	7.76%
ii. Non-interest income as a percentage to Working Funds	1.03%	1.04%
iii. Operating Profit as a percentage to Working Funds	1.78%	2.01%
iv. Return on Assets*	0.65%	0.97%
v. Business (Deposits plus advances) per employee (₹ in thousands)	106,375	94,389
vi. Profit per employee (₹ in thousands)	485.47	645.47

* (on net-assets basis)

i) Asset Liability Management: Maturity pattern of certain items of assets and liabilities as at 31st March 2014

₹ In crores

	Day 1	2 to 7 days	8 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	TOTAL
Deposits	79,195.61	31,805.04	25,840.40	26,421.54	88,873.24	1,04,788.39	1,88,422.31	2,92,956.16	1,48,532.17	4,07,573.64	13,94,408.50
	(44,414.22)	(22,481.11)	(22,533.15)	(24,714.75)	(49,399.81)	(88,325.85)	(1,80,116.77)	(3,36,798.25)	2,24,094.01)	(2,09,861.65)	(12,02,739.57)
Advances	1,29,202.87	7,791.49	13,189.69	7,071.30	41,231.15	42,066.55	68,304.91	5,60,674.65	1,30,009.54	2,10,286.57	12,09,828.72
	(97,506.39)	(7,028.89)	(12,010.67)	(8,620.34)	(47,231.34)	(43,115.51)	(41,753.47)	(5,02,134.63)	(1,15,593.50)	(1,70,621.81)	(10,45,616.55)
Investments	32.25	219.80	138.78	7,352.95	15,281.72	5,819.14	17,899.02	52,850.51	81,912.51	2,16,801.51	3,98,308.19
	(75.99)	(1,557.83)	(5,113.23)	(4,313.41)	(2,33,00.54)	(15,973.75)	(11,899.25)	(47,102.13)	(65,736.09)	(1,75,805.28)	(3,50,877.50)
Borrowings	1,573.81	12,195.05	5,335.61	5,803.97	33,984.67	21,323.88	27,551.44	23,574.78	19,617.62	32,170.05	1,83,130.88
	(551.20)	(16,955.79)	(4,919.76)	(10,590.92)	(37,664.35)	(18,006.82)	(7,552.70)	(27,666.70)	(8,861.34)	(36,413.13)	(1,69,182.71)
Foreign Currency Assets	91,335.00	1,933.42	2,066.88	4,470.93	15,883.68	11,369.86	17,891.03	44,682.10	40,029.55	37,356.73	2,67,019.18
	(67,049.33)	(2,832.10)	(1,983.54)	(6,157.46)	(20,768.87)	(20,961.05)	(9,990.15)	(31,414.02)	(28,714.05)	(32,775.41)	(2,22,645.98)
Foreign Currency Liabilities	27,799.57	13,613.23	3,956.01	9,385.88	47,340.79	20,377.06	46,983.85	49,453.36	32,992.43	2,274.94	254,177.12
	(19,192.37)	(12,784.44)	(6,168.25)	(14,976.21)	(35,035.92)	(24,080.39)	(24,246.59)	(40,932.48)	(16,320.81)	(4,719.07)	(1,98,456.53)

(Figures in brackets are as at 31st March 2013)

18.5 Exposures

The Bank is lending to sectors, which are sensitive to asset price fluctuations.

a) Real Estate Sector

₹ In crores

Particulars	As at 31 Mar 2014	As at 31 Mar 2013
(I) Direct exposure		
i) Residential Mortgages	1,56,145.83	1,50,165.96
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	1,56,145.83	1,50,165.96
Of which (i) Individual housing loans up to Rs. 25 lakh in Metropolitan centres (Population < 10 lacs) and Rs 15 lakh in other centres for purchase/construction of dwelling unit per family.	69,270.80	87,575.87
ii) Commercial Real Estate		
Lending secured by mortgages on Commercial Real Estates (office building, retail space, multi purpose commercial premises, multi family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc. Exposures would also include non fund based (NFB) limits.	17,503.82	14,973.37
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	714.76	607.12
a) Residential	453.77	601.48
b) Commercial Real Estate	260.99	5.64
(II) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	16,799.84	7,839.94
Total	**1,91,164.25**	**1,73,586.39**

b) Capital Market

₹ In crores

Particulars	As at 31 Mar 2014	As at 31 Mar 2013
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.	3,087.02	4,193.49
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.	5.04	5.36
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.	3,191.71	2,008.06
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.	133.55	48.83
5) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	20.47	43.35
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.	420.77	53.79
7) Bridge loans to companies against expected equity flows/issues.	Nil	Nil
8) Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	Nil	Nil
9) Financing to stockbrokers for margin trading.	0.41	Nil
10) Exposures to Venture Capital Funds (both registered and unregistered)	1,172.90	856.47
Total Exposure to Capital Market	**8,031.87**	**7,209.35**

c) Risk Category wise Country Exposure

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table. The country exposure (net funded) of the Bank for any country does not exceed 1% of its total assets except on UK, hence provision for the country exposure on UK has been made.

₹ In crores

Risk Category	Exposure (Net)		Provision held	
	As at 31 Mar 2014	As at 31 Mar 2013	As at 31 Mar 2014	As at 31 Mar 2013
Insignificant	Nil	1.90	Nil	Nil
Very Low	38,952.89	53,957.63	Nil	27.11
Low	240.69	11.61	Nil	Nil
Low Medium	31,557.39	29,021.20	21.98	26.25
Medium	3,413.04	4,110.40	Nil	Nil
High	1,085.53	374.30	Nil	Nil
Very High	1,938.39	2,224.39	Nil	Nil
Restricted	2,397.95	2,323.03	Nil	Nil
Off-Credit	Nil	Nil	Nil	Nil
Total	**79,585.88**	**92,024.46**	**21.98**	**53.36**

d) Single Borrower and Group Borrower exposure limits exceeded by the Bank

The Bank had taken single borrower exposure in excess of prudential limit in the cases given below:

₹ In crores

Name of the Borrower	Exposure Ceiling	Exposure Sanctioned (Peak Level)	Period during which limit exceeded	Outstanding as on 31 Mar 2014
Indian Oil Corporation Limited (IOCL)	32,340.61 35,342.10	46,010,.17	April 2013 to Dec 2013 March 2014	40,778.49
Bharat Heavy Electricals Limited (BHEL)	19,404.37 21,205.26	21,003.38	December 2013	18,890.18
Reliance Industries Limited	19,404.37 21,205.26	20,470.02	December 2013	15,047.32

Note :-

Exposure on IOCL, BHEL and RIL are within the discretion given to Banks by RBI (additional 5% of capital funds, over prudential limits)

RBI has exempted exposure of USD 1000 mio (₹ 5991.50 crores) taken on IOCL from prudential exposure norms, which is included in above exposure. After excluding . ₹ 5991.50 crores, exposure on IOCL is ₹ 40,018.67 crores, 28.30% of Bank's capital fund.

Exposures on all borrower groups were within the prudential norms during the year.

e) Unsecured Advances

₹ In crores

Particulars	As at 31 Mar 2014	As at 31 Mar 2013
a) Total Unsecured Advances of the bank	1,99,057.88	1,81,561.88
i) Of which amount of advances outstanding against charge over intangible securities such as rights, licences, authority etc.	5,654.07	3,654.02
ii) The estimated value of such intangible securities (as in (i) above).	24,391.94	15,236.41

18.6 Miscellaneous

a) Disclosure of Penalties imposed by RBI

Rs. 3.00 Crores (Previous year Nil)

b) Penalty for Bouncing of SGL forms

No penalty has been levied on the Bank for bouncing of SGL Forms.

18.7 Disclosure Requirements as per Accounting Standards

a) Effect of Changes in Accounting Policies

i. Accounting for Loyalty Reward Points

The accounting for liability on account of 'Loyalty Reward Points' has been changed from actual to actuarial valuation. The impact of the change has resulted in increase of profits by ₹ 55.48 crores.

ii. Depreciation Policy on Computer Software forming integral part of hardware

During the year rate of Depreciation on Computer Software forming an integral part of hardware has been changed from 60% on written down value to 33.33% on straight line basis in order to align the same with extant guidelines. Consequent to the change, additional depreciation of prior period of ₹ 8.13 crores is provided for during the year and the depreciation for the year is lower by ₹ 28.54 crores. As a result the fixed assets and profit before tax are higher by ₹ 20.41 crores.

b) 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 crores

Particulars	Pension Plans		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1st April 2013	39,564.21	36,525.68	7,050.57	6,462.82
Current Service Cost	872.37	1,071.90	151.79	155.32
Interest Cost	3,362.96	3,196.00	581.67	549.34
Past Service Cost (Vested Benefit)	-	-	-	-
Actuarial losses (gains)	4,200.33	1,044.60	(135.41)	509.62
Benefits paid	(58.67)	(41.50)	(810.55)	(626.53)
Direct Payment by Bank	(2,704.21)	(2,232.47)	-	-
Closing defined benefit obligation at 31st March 2014	45,236.99	39,564.21	6,838.07	7,050.57
Change in Plan Assets				
Opening fair value of Plan Assets as at 1st April 2013	35,017.57	27,205.57	6,549.31	5,251.79
Expected Return on Plan Assets	3,011.51	2,339.68	569.79	451.65
Contributions by employer	3,971.20	5,094.24	758.17	1,409.94
Benefits Paid	(58.67)	(41.50)	(810.55)	(626.53)
Actuarial Gains / (Loss) on plan Assets	335.40	419.58	23.87	62.46
Closing fair value of plan assets as at 31st March 2014	42,277.01	35,017.57	7,090.59	6,549.31
Reconciliation of present value of the obligation and fair value of the plan assets				
Present Value of Funded obligation at 31st March 2014	45,236.99	39,564.21	6,838.07	7,050.57
Fair Value of Plan assets at 31st March 2014	42,277.01	35,017.57	7,090.59	6,549.31
Deficit/(Surplus)	2,959.98	4,546.64	(252.52)	501.26
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	200.00
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	2,959.98	4,546.64	(252.52)	301.26
Amount Recognised in the Balance Sheet				
Liabilities	45,236.99	39,564.21	6,838.07	7,050.57
Assets	42,277.01	35,017.57	7,090.59	6,549.31
Net Liability / (Asset) recognised in Balance Sheet	2,959.98	4,546.64	(252.52)	501.26
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	200.00
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	2,959.98	4,546.64	(252.52)	301.26
Net Cost recognised in the profit and loss account				
Current Service Cost	872.37	1,071.90	151.79	155.32
Interest Cost	3,362.96	3,196.00	581.67	549.34
Expected return on plan assets	(3,011.51)	(2,339.68)	(569.79)	(451.65)
Past Service Cost (Amortised) Recognised	-	-	200.00	100.00
Past Service Cost (Vested Benefit) Recognised	-	-	-	-
Net actuarial losses (Gain) recognised during the year	3,864.93	625.02	(159.28)	447.16
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	5,088.75	2,553.24	204.39	800.17
Reconciliation of expected return and actual return on Plan Assets				
Expected Return on Plan Assets	3,011.51	2,339.68	569.79	451.65
Actuarial Gain/ (loss) on Plan Assets	335.40	419.58	23.87	62.46
Actual Return on Plan Assets	3,346.91	2,759.26	593.66	514.11
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet				
Opening Net Liability as at 1st April 2013	4,546.64	9,320.11	301.26	911.03
Expenses as recognised in profit and loss account	5,088.75	2,553.24	204.39	800.17
Paid by Bank Directly	(2,704.21)	(2,232.47)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Employer's Contribution	(3,971.20)	(5,094.24)	(758.17)	(1,409.94)
Net liability/(Asset) recognised in Balance Sheet	2959.98	4,546.64	(252.52)	301.26

Investments under Plan Assets of Pension Fund & Gratuity Fund as on 31st March 2014 are as follows:

	Pension Fund	Gratuity Fund
Category of Assets	% of Plan Assets	% of Plan Assets
Central Govt. Securities	32.58	24.44
State Govt. Securities	22.54	17.54
Debt Securities, Money Market Securities and Bank Deposits	41.26	34.62
Insurer Managed Funds	-	21.28
Others	3.62	2.12
Total	**100.00%**	**100.00%**

Principal actuarial assumptions

Particulars	Pension Plans		Gratuity Plans	
	Current year	Previous year	Current year	Previous year
Discount Rate	9.27%	8.50%	9.35%	8.25%
Expected Rate of return on Plan Asset	8.70%	8.60%	8.70%	8.60%
Salary Escalation	5.00%	5.00%	5.00%	5.00%

Surplus/ Deficit in the Plan

Gratuity Plan

Amount recognized in the Balance Sheet	Year ended 31-03-2009	Year ended 31-03-2010	Year ended 31-03-2011	Year ended 31-03-2012	Year ended 31-03-2013	Year ended 31-03-2014
Liability at the end of the year	3,778.18	3,889.14	5,817.19	6,462.82	7,050.57	6,838.07
Fair value of Plan Assets at the end of the year	3,746.73	3,811.28	4,102.25	5,251.79	6,549.31	7,090.59
Difference	31.45	77.86	1,714.94	1,211.03	501.26	(252.52)
Unrecognised Past Service Cost	-	-	400.00	300.00	200.00	-
Unrecognised Transition Liability	-	-	-	-	-	-
Amount Recognized in the Balance Sheet	31.45	77.86	1,314.94	911.03	301.26	(252.52)

Experience adjustment

Amount recognized in the Balance Sheet	Year ended 31-03-2009	Year ended 31-03-2010	Year ended 31-03-2011	Year ended 31-03-2012	Year ended 31-03-2013	Year ended 31-03-2014
On Plan Liability (Gain) /Loss	(90.81)	(0.40)	879.37	367.64	459.56	210.19
On Plan Asset (Loss) /Gain	(1.24)	7.89	1.94	32.58	62.46	23.87

Surplus/Deficit in the plan

Pension

Amount recognized in the Balance Sheet	Year ended 31-03-2009	Year ended 31-03-2010	Year ended 31-03-2011	Year ended 31-03-2012	Year ended 31-03-2013	Year ended 31-03-2014
Liability at the end of the year	19,328.72	21,715.61	33,879.30	36,525.68	39,564.21	45,236.99
Fair value of Plan Assets at the end of the year	13,710.13	14,714.83	16,800.10	27,205.57	35,017.57	42,277.01
Difference	5,618.59	7,000.78	17,079.20	9,320.11	4,546.64	2,959.98
Unrecognised Past Service Cost	-	-	-	-	-	-
Unrecognised Transition Liability	-	-	-	-	-	-
Amount Recognized in the Balance Sheet	5,618.59	7,000.78	17,079.20	9,320.11	4,546.64	2,959.98

Experience adjustment

On Plan Liability (Gain) /Loss	905.07	5,252.37	1,188.70	1,677.80	345.90	7,709.67
On Plan Asset (Loss) /Gain	124.74	233.12	282.65	130.16	419.58	335.40

The estimates of future salary growth, factored in actuarial valuation, taking 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, which has 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 F.Y. 2013-14.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuary appointed by the Bank:-

₹ in crores

Particulars	Provident Fund	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1st April 2013	20,742.83	19,482.46
Current Service Cost	529.53	529.97
Interest Cost	1,838.65	1,593.27
Employee Contribution (including VPF)	656.87	654.91
Actuarial losses/(gains)	-	784.39
Benefits paid	(1,963.49)	(2,302.17)
Closing defined benefit obligation at 31st March 2014	21,804.39	20,742.83
Change in Plan Assets		
Opening fair value of Plan Assets as at 1st April 2013	21,223.41	19,729.16
Expected Return on Plan Assets	1,838.65	1,593.27
Contributions	1,186.40	1,184.88
Benefits Paid	(1,963.49)	(2,302.17)
Actuarial Gains / (Loss) on plan Assets	81.45	1,018.27
Closing fair value of plan assets as at 31st March 2014	22,366.42	21,223.41
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at 31st March 2014	21,804.39	20,742.83
Fair Value of Plan assets at 31st March 2014	22,366.42	21,223.41
Deficit/(Surplus)	(562.03)	(480.58)
Net Asset not recognised in Balance Sheet	562.03	480.58
Net Cost recognised in the profit and loss account		
Current Service Cost	529.53	529.97
Interest Cost	1,838.65	1,593.27
Expected return on plan assets	(1,838.65)	(1,593.27)
Interest shortfall reversed	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	529.53	529.97
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1st April 2013	-	-
Expense as above	529.53	529.97
Employer's Contribution	(529.53)	(529.97)
Net Liability/(Asset) Recognized In The Balance Sheet	-	-

Investments under Plan Assets of Provident Fund as on 31st March 2014 are as follows:

Provident Fund	
Category of Assets	**% of Plan Assets**
Central Govt. Securities	38.97
State Govt. Securities	16.63
Debt Securities, Money Market Securities and Bank Deposits	41.08
Insurer Managed Funds	-
Others	3.32
Total	**100.00%**

Principal actuarial assumptions

Particulars	Provident Fund	
	Current year	Previous year
Discount Rate	9.35%	8.50%
Guaranteed Return	8.75%	8.25%
Attrition Rate	2.00%	2.00%

ii. Defined Contribution Plan:

The Bank has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after August 1, 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y.2013-14, the Bank has contributed ₹ 115.25 crores (Previous Year ₹ 67.73 crores).

iii. Other Long Term Employee Benefits

Amount of ₹(-)164.29 Crores (Previous Year ₹ 502.25 Crores) is (written back)/ provided towards Long Term Employee Benefits as per the actuarial valuation by the independent Actuary appointed by the Bank and is included under the head "Payments to and Provisions for Employees" in Profit and Loss Account.

Details of Provisions made for various long Term Employee Benefits during the year:

₹ in crores

Sr. No.	Long Term Employee Benefits	Current Year	Previous Year
1	Privilege Leave (Encashment) incl. leave encashment at the time of retirement	366.46	407.59
2	Leave Travel and Home Travel Concession (Encashment/ Availment)	(33.11)	24.96
3	Sick Leave	(392.42)	18.17
4	Silver Jubilee Award	(22.99)	12.24
5	Resettlement Expenses on Superannuation	(2.07)	1.44
6	Casual Leave	(82.55)	17.89
7	Retirement Award	2.39	19.96
Total		**(164.29)**	**502.25**

The provision towards Sick Leave and Casual Leave has been assessed based on the actuarial valuation considering the past behavioural pattern as on 31st March 2014 as Rs Nil. Accordingly, the existing provision of Rs 474.97 crores has been reversed during the year.

c) 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, Mid Corporate Accounts Group and Stressed Assets Management 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 branches in National Banking Group, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with branches in the National Banking Group. 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 crores

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Revenue #	34,763.95	54,180.43	65,543.48	-	1,54,487.86
	(29,467.67)	(46,453.57)	(59,427.06)	(-)	(1,35,348.30)
Unallocated Revenue #	-	-	-	-	415.86
					(343.64)
Total Revenue	-	-	-	-	1,54,903.72
					(1,35,691.94)
Result #	1508.29	2,176.59	15,762.74	-	19,447.62
	(4,782.29)	(7,315.21)	(11,215.21)	(-)	(23,312.71)
Unallocated Income(+) / Expenses(-) - net #	-	-	-	-	(-)3273.73
					((-) 3,361.82)
Operating Profit #	-	-	-	-	16,173.89
					(19,950.89)
Tax #	-	-	-	-	5,282.72
					(5,845.91)
Extraordinary Profit #	-	-	-	-	-
Net Profit #	-	-	-	-	10,891.17
					(14,104.98)
Other Information:					
Segment Assets *	4,23,098.66	7,07,907.27	6,45,978.57	-	17,76,984.50
	(3,73,533.96)	(5,82,664.07)	(5,96,698.77)	(-)	(15,52,896.80)
Unallocated Assets *	-	-	-	-	15,250.10
	-	-	-	-	(13,314.47)
Total Assets*	-	-	-	-	17,92,234.60
	-	-	-	-	(15,66,211.27)
Segment Liabilities *	2,14,629.31	6,20,852.90	7,87,170.47	-	16,22,652.68
	(1,99,998.27)	(4,91,994.55)	(7,29,632.90)	(-)	(14,21,625.72)
Unallocated Liabilities*	-	-	-	-	51,299.67
	-	-	-	-	(45,701.87)
Total Liabilities *	-	-	-	-	16,73,952.35
	-	-	-	-	(14,67,327.59)

(Figures in brackets are for previous year)

Part B: Secondary (Geographic Segments)

₹ In crores

	Domestic		Foreign		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue #	1,45,647.12	1,27,139.47	8,840.74	8,208.83	1,54,487.86	1,35,348.30
Result#	16,377.14	20,026.46	3070.48	3,286.25	19,447.62	23,312.71
Assets *	15,24,746.71	13,39,476.62	2,67,487.89	2,26,734.65	17,92,234.60	15,66,211.27
Liabilities*	14,06,464.46	12,40,592.94	2,67,487.89	2,26,734.65	16,73,952.35	14,67,327.59

For the year ended 31st March 2014
* As at 31st March 2014

d) Related Party Disclosures:

1. Related Parties

A. SUBSIDIARIES

i. DOMESTIC BANKING SUBSIDIARIES

1. State Bank of Bikaner & Jaipur
2. State Bank of Hyderabad
3. State Bank of Mysore
4. State Bank of Patiala
5. State Bank of Travancore

ii. FOREIGN BANKING SUBSIDIARIES

1. SBI (Mauritius) Ltd.
2. State Bank of India (Canada)
3. State Bank of India (California)
4. Commercial Indo Bank Llc , Moscow
5. PT Bank SBI Indonesia
6. Nepal SBI Bank Ltd.
7. State Bank of India (Botswana) Ltd.

iii. DOMESTIC NON-BANKING SUBSIDIARIES

1. SBI Capital Markets Ltd.
2. SBI DFHI Ltd.
3. SBI Mutual Fund Trustee Company Pvt. Ltd.
4. SBICAP Securities Ltd.
5. SBICAP Ventures Ltd.
6. SBICAP Trustee Company Ltd.
7. SBI Cards and Payment Services Pvt. Ltd.
8. SBI Fund Management Pvt. Ltd.
9. SBI Life Insurance Company Ltd.
10. SBI Pension Funds Pvt. Ltd.
11. SBI – SG Global Securities Services Pvt. Ltd.
12. SBI Global Factors Ltd.
13. SBI General Insurance Company Ltd.
14. SBI Payment Services Pvt. Ltd.

iv. FOREIGN NON-BANKING SUBSIDIARIES

1. SBICAP (UK) Ltd.
2. SBI Funds Management (International) Pvt. Ltd.
3. SBICAP (Singapore) Ltd.

B. JOINTLY CONTROLLED ENTITIES

1. GE Capital Business Process Management Services Pvt. Ltd
2. C-Edge Technologies Ltd.
3. Macquarie SBI Infrastructure Management Pte. Ltd.
4. Macquarie SBI Infrastructure Trustee Ltd.
5. SBI Macquarie Infrastructure Management Pvt. Ltd.
6. SBI Macquarie Infrastructure Trustee Pvt. 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. Meghalaya Rural Bank
6. Krishna Grameena Bank (upto 22.08.2013)
7. Langpi Dehangi Rural Bank
8. Madhyanchal Gramin Bank
9. Mizoram Rural Bank
10. Nagaland Rural Bank
11. Purvanchal Bank
12. Saurashtra Gramin Bank
13. Utkal Grameen Bank

14. Uttarakhand Gramin Bank
15. Vananchal Gramin Bank
16. Marudhara Gramin Bank
17. Deccan Grameena Bank
18. Kaveri Grameena Bank
19. Malwa Gramin Bank

ii. Others

1. SBI Home Finance Ltd.
2. The Clearing Corporation of India Ltd.
3. Bank of Bhutan Ltd.

D. Key Management Personnel of the Bank

1. Shri Pratip Chaudhuri, Chairman (up to 30.09.2013)
2. Smt. Arundhati Bhattacharya, Chairman (from 07.10.2013)
3. Shri Hemant G. Contractor, Managing Director & Group Executive (International Banking)
4. Shri A. Krishna Kumar, Managing Director & Group Executive (National Banking)
5. Shri Diwakar Gupta, Managing Director & Chief Financial Officer (upto 31.07.2013)
6. Smt. Arundhati Bhattacharya, Managing Director & Chief Financial Officer (from 02.08.2013 to 06.10.2013)
7. Shri S. Vishvanathan, Managing Director & Group Executive (Associates & Subsidiaries)
8. Shri P. Pradeep Kumar, Managing Director & Group Executive (Corporate Banking) (from 27.12.2013)

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 crores

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Transactions during the year			
Interest received	0.02	-	0.02
	(-)	(-)	(-)
Interest paid	4.00	-	4.00
	(1.06)	(-)	(1.06)
Income earned by way of dividend	12.24	-	12.24
	(15.22)	(-)	(15.22)
Other Income	-	-	-
	(17.81)	(-)	(17.81)
Other expenditure	-	-	-
	(-)	(-)	(-)
Management contracts	-	1.08	1.08
	(-)	(0.95)	(0.95)
Outstanding as on 31st March			
Payables	96.11	-	96.11
	(154.21)	(-)	(154.21)
Receivables	-	-	-
	(-)	(-)	(-)

Figures in brackets are for Previous Year

There are no materially significant related party transactions during the year.

e) Liability for Operating Leases

Premises taken on operating lease are given below:

₹ In crores

Particulars	As at 31 Mar 2014	As at 31 Mar 2013
Not later than 1 year	135.06	112.44
Later than 1 year and not later than 5 years	434.85	388.60
Later than 5 years	109.27	117.79
Total*	**679.18**	**618.83**
Amount of lease payments recognised in the P&L Account for the year.	153.90	114.15

Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the Bank.

* In respect of Non-Cancellable leases only.

f) 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	68,40,33,971	67,10,44,838
Number of Equity Shares issued during the year	6,25,39,121	1,29,89,133
Number of Equity Shares outstanding at the end of the year	74,65,73,092	68,40,33,971
Weighted average number of equity shares used in computing basic earnings per share	69,47,83,910	67,14,72,052
Weighted average number of shares used in computing diluted earnings per share	69,47,83,910	67,14,72,052
Net profit (₹ In crores)	10,891.17	14,104.98
Basic earnings per share (₹)	156.76	210.06
Diluted earnings per share (₹)	156.76	210.06
Nominal value per share (₹)	10	10

g) Accounting for Taxes on Income

i. Deferred Tax :

a. During the year, ₹ 1055.25 crores has been debited to Profit and Loss Account [Previous Year ₹ 107.97 crores credited] on account of deferred tax.

b. During the year, the Bank has recognised deferred tax asset on provision for standard restructured assets, which was hitherto not being done. Accordingly, an amount of ₹ 516.43 crores (including ₹ 245.05 crores relating to period upto 31.03.2013) has been accounted for in the current year.

ii. The Bank has net deferred tax liability of ₹ 2,837.84 crores (Previous Year net deferred tax liability of ₹ 628.92 Crores), which is included under 'Other Liabilities and Provisions'. The breakup of deferred tax assets and liabilities into major items is given below:

₹ In crores

Particulars	As at 31 Mar 2014	As at 31 Mar 2013
Deferred Tax Assets		
Provision for Defined Benefit Schemes on account of Wage Revision	72.05	72.05
Provision for long term employee Benefits	1235.19	2,126.16#
Provision for restructured Standard Assets	516.43	Nil
Depreciation on Fixed Assets	Nil	7.55
Others	Nil	Nil
Net DTAs on account of Foreign Offices	511.82	282.16
Total	2,335.49	2,487.92
Deferred Tax Liabilities		
Depreciation on Fixed Assets	8.56	Nil
Interest on securities*	3280.02	3,116.84
Special Reserve created u/s 36(1)(VIII) of Income Tax Act 1961	1884.74$	Nil
Total	**5,173.32**	**3,116.84**
Net Deferred Tax Assets/ (Liabilities)	**(2,837.83)**	**(628.92)**

Includes tax credit arising out of provision for leave encashment for employees of ₹ 922.15 crores.

* Includes ₹ 336.62 Crores transferred to Income Tax Account (Previous Year ₹ 917.04 Crores transferred from Income Tax Account).

$ Includes ₹ 1525.13 Crores transferred from Revenue and Other reserves in accordance with RBI circular.

h) Investments in Jointly Controlled Entities

Investments include ₹ 38.28 crores (Previous Year ₹ 38.14 crores) representing Bank's interest in the following jointly controlled entities

Sr. No	Name of the Company	Amount ₹ In crores	Country of Residence	Holding %
1	GE Capital Business Process Management Services Pvt. Ltd.	9.44 (9.44)	India	40%
2	C - Edge Technologies Ltd.	4.90 (4.90)	India	49%
3	Maquarie SBI Infrastructure Management Pte. Ltd.	2.25 (2.25)	Singapore	45%
4	SBI Macquarie Infrastructure Management Pvt. Ltd.	18.57 (18.57)	India	45%
5	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	0.03 (0.03)	India	45%
6	Macquarie SBI Infrastructure Trustee Ltd. #	0.78 (0.64)	Bermuda	45%
7	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	2.30 (2.30)	India	50%
8	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	0.01 (0.01)	India	50%

Indirect holding through Maquarie SBI Infra Management Pte. Ltd., against which the Company has made 100% provision, except additional investment made during the FY 2013-14.

(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 crores

Particulars	As at 31 Mar 2014	As at 31 Mar 2013
Liabilities		
Capital & Reserves	130.61	125.43
Deposits	-	-
Borrowings	10.91	12.65
Other Liabilities & Provisions	109.30	78.76
Total	**250.82**	**216.84**
Assets		
Cash and Balances with RBI	-	-
Balances with Banks and money at call and short notice	111.79	88.31
Investments	0.65	0.48
Advances	-	-
Fixed Assets	42.03	41.22
Other Assets	96.35	86.83
Total	**250.82**	**216.84**
Capital Commitments		
Other Contingent Liabilities	2.95	3.11
Income		
Interest earned	6.13	7.44
Other income	249.15	208.89
Total	**255.28**	**216.33**
Expenditure		
Interest expended	1.52	1.37
Operating expenses	198.54	170.56
Provisions & contingencies	13.97	11.63
Total	**214.03**	**183.56**
Profit	**41.25**	**32.77**

i) Impairment of Assets

In the opinion of the Bank's Management, there is no impairment to the assets during the year to which Accounting Standard 28 – "Impairment of Assets" applies.

j) Description of Contingent Liabilities (AS-29)

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 a party to various taxation matters in respect of which appeals are pending.
2	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchange contracts, currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. 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.
3	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.
4	Other items for which the Bank is contingently liable.	These are being contested by the Bank and not provided for. Further, the Bank has made commitments to subscribe to shares in the normal course of business.

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.

a) Movement of provisions against Contingent Liabilities

₹ In crores

Particulars	Current Year	Previous Year
Opening balance	256.21	262.44
Additions during the year (Previous Year figures include provision transferred from e SBICI)	87.59	68.47
Reductions during the year	16.49	74.70
Closing balance	327.31	256.21

18.8 Additional Disclosures

1. Provisions and Contingencies

₹ In crores

Particulars	Current Year	Previous Year
Provision for Taxation		
-Current Tax	4,359.74	5,951.06
-Deferred Tax	1,055.25	(107.97)
-Write Back of Income Tax/ Fringe Benefit Tax	(142.28)	0
-Other Tax	10.00	2.82
Provision for Depreciation on Investments	563.25	(961.29)
Withdrawal from Counter Cyclical Buffer	(750.00)	0
Provision on Non-Performing Assets	14,478.45	10,656.97
Provision on Restructured Assets	495.12	710.82
Provision on Standard Assets	1260.69	749.61
Other Provisions	(112.16)	(25.28)
Total	**21,218.06**	**16,976.74**

2. Floating Provisions

₹ In crores

Particulars	Current Year	Previous Year
Opening Balance	25.14	25.14
Addition during the year	-	-
Draw down during the year	-	-
Closing Balance	25.14	25.14

3. Withdrawal from Reserves

During the year, the Bank has withdrawn following amount from the Reserves:

₹ In crores

Particulars	As at 31 Mar 2014	As at 31 Mar 2013
On account of Inter Office reconciliation	-	0.21
For Creation of Deferred Tax Liability on Special Reserve created u/s 36(1)(viii) of Income Tax Act	1,525.13	-

4. Status of complaints

A. Customer complaints

Particulars	As at 31 Mar 2014	As at 31 Mar 2013
No. of complaints pending at the beginning of the year	32,705	13,414
No. of complaints received during the year	15,03,638	18,86,249
No. of complaints redressed during the year	15,14,930	18,66,958
No. of complaints pending at the end of the year	21,413	32,705

B. Awards passed by the Banking Ombudsman

Particulars	Current Year	Previous Year
No. of unimplemented Awards at the beginning of the year	28	21
No. of Awards passed by the Banking Ombudsman during the year	63	159
No. of Awards implemented during the year	82	152
No. of unimplemented Awards at the end of the year	9	28

5. Payment to Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006

As per the information available with the Bank, there have been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises.

6. Letter of Comfort issued for Subsidiaries

The Bank has issued letters of comfort on behalf of its subsidiaries. Outstanding letters of comfort as on 31st March 2014 aggregate to ₹ 1,914.97 Crores (Previous Year: ₹ 477.19 Crores). In the Bank's assessment no financial impact is likely to arise.

7. Provisioning Coverage Ratio:

The Provisioning to Gross Non-Performing Assets ratio of the Bank as on 31st March 2014 is 62.86% (Previous Year 66.58%).

8. Fees/remuneration received in respect of the bancassurance business

₹ In crores

Name of Company	Current Year	Previous Year
SBI Life Insurance Co. Ltd.	222.05	212.03
SBI General Insurance Co. Ltd.	48.41	29.62
Manu Life Financial Limited and NTUC	0.61	2.97
Tokio Marine	1.52	-
TOTAL	**272.59**	**244.62**

9. Concentration of Deposits, Advances Exposures & NPAs

a) Concentration of Deposits

₹ In crores

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	1,03,157.26	79,985.27
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	7.40%	6.65%

b) Concentration of Advances

₹ In crores

Particulars	Current Year	Previous Year
Total Advances to twenty largest borrowers	2,22,862.28	1,11,717.95
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	17.90%	10.36%

c) Concentration of Exposures

₹ In crores

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers/customers	3,32,789.45	2,47,179.38
Percentage of Exposures to twenty largest barrowers/ customers to Total Exposure of the Bank on borrowers/ customers	16.88%	14.08%

d) Concentration of NPAs

₹ In crores

Particulars	Current Year	Previous Year
Total Exposure to top four NPA accounts	4,782.78	2,797.98

10. Sector –wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		Current Year	Previous Year
1	Agriculture & allied activities	8.11 %	9.50 %
2	Industry (Micro & Small, Medium and Large)	3.87 %	4.37 %
3	Services	5.18 %	4.43 %
4	Personal Loans	1.31%	1.98 %

11. Overseas Assets, NPAs and Revenue

₹ In crores

Sr. No.	Particulars	Current Year	Previous Year
1	Total Assets	2,67,487.89	2,26,734.65
2	Total NPAs (Gross)	3,786.64	2,811.27
3	Total Revenue	8,840.74	8,208.83

12. Off-balance Sheet SPVs sponsored

	Name of the SPV Sponsored	
	Domestic	Overseas
Current Year	NIL	NIL
Previous Year	NIL	NIL

13. Unamortised Gratuity Liabilities

In accordance with RBI Circular No. DBOD. BP.BC.80/21.04.018/2010-11 dated February 9, 2011 the Bank had opted to amortise the additional liability on account of enhancement in Gratuity limit over a period of 5 years beginning with the financial year ended March 31, 2011. However, the Bank in the current year has decided to provide in full the balance unrecognised liability and accordingly, the Bank has charged a sum of ₹ 200 crores to the Profit and Loss Account for the financial year ended March 31, 2014.

14. Disclosure relating to Securitisation

₹ In crores

Sr. No.	Particulars	Number	Amount
1.	No. of the SPVs sponsored by the Bank for securitization transactions	Nil	Nil
2.	Total amount of securitized assets as per the books of the SPVs sponsored by the bank	Nil	Nil
3.	Total amount of exposures retained by the bank to comply with MMR as on the date of balance sheet a) Off-balance sheet exposures i. First Loss ii. Others b) On-balance sheet exposures i. First Loss ii. Others	Nil	Nil
4.	Amount of exposures to securitisation transactions other than MMR a) Off-balance sheet exposures i. Exposures to own securitisations 1. First Loss 2. Others ii. Exposures to third party securitisations 1. First Loss 2. Others b) On-balance sheet exposures i. Exposures to own securitisations 1. First Loss 2. Others ii. Exposures to third party securitisations 1. First Loss 2. Others	Nil	Nil

15. Inter Office Accounts

Inter Office Accounts between branches, controlling offices and local head offices and corporate centre establishments are being reconciled on an ongoing basis and no material effect is expected on the profit and loss account of the current year.

16. Specific Provision for NPAs

During the year, the Bank has utilized the specific provisions of Rs 2056.26 crores made during previous years (2011-12 and 2012-13) against certain non performing domestic advances to provide for estimated loss in the collectible amounts of such advances.

17. Pending Wage Agreement

The Ninth Bipartite Settlement entered into by the Indian Banks' Association on behalf of the member Banks with the All India Unions of Workmen expired on 31st October 2012. Pending execution of agreement for wage revision, to be effective from 1st November 2012, a provision of ₹ 1814 Crores (previous year ₹ 720 crores) has been made during the year. Considering the above the Bank, on estimated basis, has made a provision of ₹ 540 crores (previous year ₹ 225 crores) towards Superannuation and other long term employee benefits.

18. Counter Cyclical Buffer

RBI vide Circular No. DBOD.No.BP.95/21.04.048/2013-14 dated February 7, 2014 on 'Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 33 per cent of Counter Cyclical Provisioning Buffer (CCPB) held by them as on March 31, 2013, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors. Accordingly, the Bank has utilized the CCPB of ₹ 750 crores (as against the maximum permissible limit of ₹ 1,132 crores i.e. 33% of ₹ 3,430 crores the balance as on 31.03.2013) for making specific provision for NPAs, in accordance with the board approved policy and approval of the Board.

19. Deferred Tax Liability on Special Reserve u/s 36(1)(viii)

RBI vide Circular No DBOD.No.BP.BC.77/21.04.018/2013-14 dated December 20, 2013 on 'Deferred Tax Liability on Special Reserve created under Section 36(1)(viii) of the Income Tax Act, 1961', has advised that , as a matter of prudence, Deferred Tax Liability (DTL) should be created on Special Reserve. Further, it has allowed the banks to adjust the provision for DTL on Special Reserve as at 31st March 2013 against the Reserves and the provision for DTL on Special Reserve created from the year 2013-14 should be charged to the profit and loss account. Accordingly, an amount of ₹ 1,525.13 crores has been adjusted from the reserves for creation of DTL on Special Reserve of ₹ 4,487 crores as on 31st March 2013. Further, an amount of ₹ 359.61 crores has been charged to Profit and Loss Account for creation of DTL on Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 for the year.

20. 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

CASHFLOW STATEMENT for the year ended 31st March, 2014

₹ in '000s

Particulars		Year ended March 31, 2014	Year ended March 31, 2013
Cash flow from operating activities			
Net Profit before Taxes		**16173,88,65**	**19950,89,77**
Adjustments for :			
Depreciation on Fixed Assets		1333,93,66	1139,60,76
(Profit)/ Loss on sale of Fixed Assets (Net)		38,64,16	32,71,93
(Profit)/ Loss on revaluation of Investments (Net)		202,68,32	3,78,17
Provision on Non Performing Assets		14223,56,87	11367,78,46
Provision on Standard Assets		1260,68,85	749,60,48
Provision for depreciation on Investments		563,25,29	(961,28,84)
Other Provisions		(112,16,01)	(25,27,51)
Dividend from Subsidiaries/ Joint Ventures/ Associates (Investing Activity)		(496,85,99)	(715,51,40)
Interest on Capital Instruments (Financing Activity)		3686,48,24	3614,89,51
		36874,12,04	**35157,21,33**
Adjustments for :			
Increase/ (Decrease) in Deposits		191668,93,05	159092,21,21
Increase/ (Decrease) in Borrowings other than Capital Instruments		11596,29,40	41964,09,55
(Increase)/ Decrease in Investments other than Investments in Subsidiaries/ Joint Ventures/ Associates		(46927,10,88)	(37718,26,11)
(Increase)/ Decrease in Advances		(178435,73,48)	(189405,44,77)
Increase/ (Decrease) in Other Liabilities & Provisions		(473,80,50)	12493,06,02
(Increase)/ Decrease in Other Assets		10941,71,71	2097,11,12
		25244,41,34	**23679,98,35**
Taxes Paid		(11136,99,51)	(2027,31,13)
Net cash generated from/ (used in) operating activities	**(A)**	**14107,41,83**	**21652,67,22**
Cash flow from investing activities			
(Increase)/ Decrease in Investments in Subsidiaries/ Joint Ventures/ Associates		(1269,51,21)	(4,12,70)
Dividend received from Subsidiaries/ Joint Ventures/ Associates		496,85,99	715,51,40
(Increase)/ Decrease in Fixed Assets		(2333,01,64)	(2702,23,94)
Net cash generated from/ (used in) investing activities	**(B)**	**(3105,66,86)**	**(1990,85,24)**
Cash flow from financing activities			
Proceeds from issue of equity share capital		10006,02,70	3000,34,14
Issue of Capital Instruments		2000,00,00	-
Interest on Capital Instruments		(3686,48,24)	(3614,89,51)
Dividend paid including tax thereon		(4508,37,72)	(2645,16,40)
Net cash generated from/ (used in) financing activities	**(C)**	**3811,16,74**	**(3259,71,77)**
Effect of exchange fluctuation on translation reserve	**(D)**	**2916,55,11**	**1254,89,75**
Net increase/(decrease) in cash and cash equivalents	**(A)+(B)+(C)+(D)**	**17729,46,82**	**17656,99,96**
Cash and cash equivalents at the beginning of the year		**114820,16,45**	**97163,16,49**
Cash and cash equivalents at the end of the year		**132549,63,27**	**114820,16,45**

Signed By:

Shri S. Venkatachalam
Shri D. Sundaram
Shri Thomas Mathew
Shri Jyoti Bhushan Mohapatra
Shri S.K. Mukherjee
Shri Harichandra Bahadur Singh

$\left.\right\}$ Directors

Shri A. Krishna Kumar
Managing Director &
Group Executive (IB)

Shri P. Pradeep Kumar
Managing Director &
Group Executive (CB)

Smt. Arundhati Bhattacharya
Chairman

INDEPENDENT AUDITOR'S REPORT

To

The President of India,

REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of State Bank of India ("the Bank") as at 31st March, 2014, which comprises the Balance Sheet as at March 31, 2014, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of

   i) The Central Offices, **14** Local Head Offices, Global Market Group, International Business Group, Corporate Accounts Group (Central), Mid-Corporate Group (Central), Stressed Assets Management Group (Central) and **42** branches audited by us;

   ii) **8252** Indian Branches audited by other auditors;

   iii) **54** Foreign Branches audited by the local auditors.

   The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in the Balance Sheet and the Profit and Loss Account are the returns from **8355** Indian Branches and other accounting units which have not been subjected to audit. These unaudited branches account for **4.66%** of advances, **18.75%** of deposits, **5.73%** of interest income and **18.28%** of interest expenses.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The Bank's management is responsible for the preparation of these 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 requirements of the Reserve Bank of India, the provisions of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and recognised accounting policies and practices, including the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI). This responsibility of the management includes the design, implementation and maintenance of internal controls and risk management systems relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In making those risk assessments, the management has implemented such internal controls that are relevant to the preparation of the financial statements and designed procedures that are appropriate in the circumstances so that the internal control with regard to all the activities of the Bank is effective.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

6. In our opinion, as shown by books of the Bank, and to the best of our information and according to the explanations given to us:

   (i) the Balance Sheet, read with the significant accounting policies and 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 state of affairs of the Bank as at 31st March 2014 in conformity with accounting principles generally accepted in India;

(ii) the Profit and Loss Account, read with the significant accounting policies and the notes thereon shows a true balance of profit, in conformity with accounting principles generally accepted in India, for the year covered by the account; and

(iii) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

EMPHASIS OF MATTER

7. We draw attention to Notes 18.8 of Schedule 18: 'Notes to Accounts regarding:

(a) para 16: regarding utilisation of specific provisions of ₹2,056.26 crores made in earlier years;

(b) para 18: utilization of counter cyclical provisioning buffer amounting to ₹750 crores;

(c) para 19: charge of ₹1,525.13 crores to Revenue and Other Reserves for creation of Deferred Tax Liability as per RBI guidelines.

Our opinion is not qualified in respect of the above stated matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

8. The Balance Sheet and the Profit and Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to the Banking Regulation Act 1949, 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.

9. Subject to limitations of the audit indicated in paragraphs 1 to 5 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required there in, 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.

c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

10. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the applicable accounting standards.

For **S Venkatram & Co.**
Chartered Accountants

G Narayanaswamy
Partner : M.No. 002161
Firm Regn. No.004656 S

For **Singhi & Co.**
Chartered Accountants

Rajiv Singhi
Partner : M.No.053518
Firm Regn. No.302049 E

For **SCM Associates**
Chartered Accountants

P K Bal
Partner : M.No. 055147
Firm Regn. No. 314173 E

For **S N Nanda & Co.**
Chartered Accountants

S N Nanda
Partner : M.No. 005909
Firm Regn. No.000685 N

For **Sriramamurthy & Co.**
Chartered Accountants

D Prasanna Kumar
Partner : M.No.023999
Firm Regn. No.003032 S

For **T R Chadha & Co.**
Chartered Accountants

Vikas Kumar
Partner : M.No. 075363
Firm Regn. No.006711 N

For **Prakash & Santosh**
Chartered Accountants

Arun Kumar
Partner : M No.087378
Firm Regn. No. 000454 C

For **Dhamija Sukhija & Co.**
Chartered Accountants

K M Sukhija
Partner: M.No.016942
Firm Regn. No.000369 N

For **K B Sharma & Co.**
Chartered Accountants

Hemant Sharma
Partner : M No.503080
Firm Regn. No. 002318 N

For **Add & Associates**
Chartered Accountants

S Dey Bandopadhyay
Partner: M.No. 064055
Firm Regn. No.308064 E

For **V P Aditya & Co.**
Chartered Accountants

V P Aditya
Partner : M No.006387
Firm Regn. No.000542 C

For **S Jaykishan**
Chartered Accountants

Sunirmal Chatterjee
Partner : M.No. 017361
Firm Regn. No.309005 E

For **Mehra Goel & Co.**
Chartered Accountants

R K Mehra
Partner: M.No.006102
Firm Regn. No.000369 N

For **SRRK Sharma Associates**
Chartered Accountants

S R R K Sharma
Partner : M No.016304
Firm Regn. No. 003790 S

Place : Kolkata
Date : 23rd May 2014

STATE BANK OF INDIA

BALANCE SHEET (CONSOLIDATED) as on March 31, 2014

(000s omitted)

	Sch.No.	As on 31st March 2014 (Current Year) ₹	As on 31st March 2013 (Previous Year) ₹
CAPITAL AND LIABILITIES			
Capital	1	746,57,31	684,03,40
Reserves & Surplus	2	146623,96,30	124348,98,77
Minority Interest		4909,15,07	4253,86,10
Deposits	3	1838852,35,65	1627402,61,19
Borrowings	4	223759,70,95	203723,19,69
Other Liabilities and Provisions	5	181089,85,70	172695,87,88
TOTAL		**2395981,60,98**	**2133108,57,03**
ASSETS			
Cash and Balances with Reserve Bank of India	6	114095,60,38	89574,03,11
Balance with banks and money at call & short notice	7	53065,74,09	55653,69,49
Investments	8	578793,08,61	519343,42,39
Advances	9	1578276,68,60	1392608,03,33
Fixed Assets	10	10559,78,10	9369,92,56
Other Assets	11	61190,71,20	66559,46,15
TOTAL		**2395981,60,98**	**2133108,57,03**
Contingent Liabilities	12	1172565,68,45	1056483,76,02
Bills for Collection		90196,99,38	80201,66,95
Significant Accounting Policies	17		
Notes on Accounts	18		

In term of our Report of even date
For **S. VENKATRAM & CO.**
Chartered Accountants

(ARUNDHATI BHATTACHARYA)
CHAIRMAN

(G. NARAYANASWAMY)
Partner
Mem. No. : 002161
Firm Regn. No. : 004656 S

(P. PRADEEP KUMAR)
MD & GE (Corp. Bkg)

(A. KRISHNA KUMAR)
MD & GE (Int'l Bkg)

KOLKATA
Dated 23rd May 2014

STATE BANK OF INDIA

PROFIT AND LOSS ACCOUNT (CONSOLIDATED) for the year ended March 31, 2014

(000s omitted)

	Sch. No	Year ended 31st March 2014 (Current Year) ₹	Year ended 31st March 2013 (Previous Year) ₹
I. INCOME			
Interest earned	13	189062,44,04	167976,13,88
Other Income	14	37882,12,60	32583,69,78
TOTAL		**226944,56,64**	**200559,83,66**
II. EXPENDITURE			
Interest expended	15	121479,04,34	106817,91,29
Operating expenses	16	63368,73,77	52819,79,73
Provisions and contingencies		27607,31,21	22599,13,28
TOTAL		**212455,09,32**	**182236,84,30**
III. PROFIT			
Net Profit for the year (before adjustment for Share in Profit of Associates and Minority Interest)		14489,47,32	18322,99,36
Add: Share in Profit of Associates		317,73,35	231,67,78
Less: Minority Interest		633,43,17	638,44,03
Net Profit for the Group		14173,77,50	17916,23,11
Balance Brought forward		1422,53,94	892,74,17
Amount available for Appropriation		**15596,31,44**	**18808,97,28**
APPROPRIATIONS			
Transfer to Statutory Reserves		4097,28,24	5371,44,24
Transfer to Other Reserves		6849,72,56	8695,52,63
Dividend for the previous year paid during the year (including Tax on Dividend)		1,45	-
Dividend for the current year:			
(i) Interim Dividend		1119,85,96	-
(ii) Final Dividend Proposed		1119,85,96	2838,74,09
Tax on Dividend		377,20,12	480,72,38
Balance carried over to Balance Sheet		2032,37,15	1422,53,94
TOTAL		**15596,31,44**	**18808,97,28**
Basic Earnings per Share		₹ 204.00	₹ 266.82
Diluted Earnings per Share		₹ 204.00	₹ 266.82
Significant Accounting Policies	17		
Notes on Accounts	18		

In term of our Report of even date
For **S. VENKATRAM & CO.**
Chartered Accountants

(ARUNDHATI BHATTACHARYA)
CHAIRMAN

(G. NARAYANASWAMY)
Partner
Mem. No. : 002161
Firm Regn. No. : 004656 S

(P. PRADEEP KUMAR)
MD & GE (Corp. Bkg)

(A. KRISHNA KUMAR)
MD & GE (Int'l Bkg)

KOLKATA
Dated 23rd May 2014

SCHEDULES

SCHEDULE 1 - CAPITAL

(000s omitted)

	As on 31st March 2014 (Current Year) ₹	As on 31st March 2013 (Previous Year) ₹
Authorised Capital		
500,00,00,000 (Previous Year 500,00,00,000) equity shares of ₹ 10/- each	5000,00,00	5000,00,00
Issued Capital		
74,66,56,167 (Previous Year 68,41,17,046) equity shares of ₹ 10/- each	746,65,61	684,11,70
Subscribed and Paid up Capital		
74,65,73,092 (Previous Year 68,40,33,971) equity shares of ₹ 10/- each	746,57,31	684,03,40
The above includes 1,58,73,554 (Previous Year 1,65,21,526) equity shares represented by 79,36,777 (Previous Year 82,60,763) Global Depository Receipts		
TOTAL	**746,57,31**	**684,03,40**

SCHEDULE 2 - RESERVES & SURPLUS

(000s omitted)

	As on 31st March 2014 (Current Year) ₹		As on 31st March 2013 (Previous Year) ₹	
I. Statutory Reserves				
Opening Balance	48821,44,55		43449,97,27	
Additions during the year	4097,28,24		5371,47,28	
Deductions during the year	33,63,35	52885,09,44	-	48821,44,55
II. Capital Reserves #				
Opening Balance	2213,06,84		2125,44,35	
Additions during the year	292,76,10		87,62,49	
Deductions during the year	5,33,99	2500,48,95	-	2213,06,84
III. Share Premium				
Opening Balance	31501,19,81		28513,84,58	
Additions during the year	9969,10,90		2991,08,00	
Deductions during the year	25,62,11	41444,68,60	3,72,77	31501,19,81
IV. Foreign Currency Translation Reserves				
Opening Balance	4014,33,11		2845,50,56	
Additions during the year	2745,36,88		1168,82,55	
Deductions during the year	-	6759,69,99	-	4014,33,11
V. Revenue and Other Reserves				
Opening Balance	36376,40,52		27731,45,92	
Additions during the year ##	6713,92,18		8682,21,22	
Deductions during the year	2088,70,53	41001,62,17	37,26,62	36376,40,52
VI. Balance in Profit and Loss Account		2032,37,15		1422,53,94
TOTAL	**146623,96,30**		**124348,98,77**	

\# includes Capital Reserve on consolidation ₹ 139,10,45 thousand (Previous Year ₹ 139,23,28 thousand)

\## net of consolidation adjustments

SCHEDULE 3 - DEPOSITS

(000s omitted)

	As on 31st March 2014 (Current Year) ₹	As on 31st March 2013 (Previous Year) ₹
A. I. Demand Deposits		
(i) From Banks	6955,65,38	8201,96,41
(ii) From Others	133990,18,85	127793,49,18
II. Savings Bank Deposits	600847,75,93	527129,94,19
III. Term Deposits		
(i) From Banks	35590,60,70	29356,76,95
(ii) From Others	1061468,14,79	934920,44,46
TOTAL	**1838852,35,65**	**1627402,61,19**
B. (i) Deposits of Branches in India	1737448,77,50	1540656,01,05
(ii) Deposits of Branches outside India	101403,58,15	86746,60,14
TOTAL	**1838852,35,65**	**1627402,61,19**

SCHEDULE 4 - BORROWINGS

(000s omitted)

	As on 31st March 2014 (Current Year) ₹	As on 31st March 2013 (Previous Year) ₹
I. Borrowings in India		
(i) Reserve Bank of India	17292,63,00	16415,66,00
(ii) Other Banks	2662,80,15	8434,78,11
(iii) Other Institutions and Agencies	26481,13,18	17642,03,89
(iv) Innovative Perpetual Debt Instruments(IPDI)	3890,00,00	3890,00,00
(v) Subordinated Debts & Bonds	46961,61,20	45009,61,20
TOTAL	**97288,17,53**	**91392,09,20**
II. Borrowings outside India		
(i) Borrowing and Refinance outside India	122676,84,67	108875,45,24
(ii) Innovative Perpetual Debt Instruments(IPDI)	3744,68,75	3392,81,25
(iii) Subordinated Debts & Bonds	50,00,00	62,84,00
TOTAL	**126471,53,42**	**112331,10,49**
Grand Total (I & II)	**223759,70,95**	**203723,19,69**
Secured Borrowings included in I & II above	11613,32,53	12570,33,58

SCHEDULE 5 - OTHER LIABILITIES & PROVISIONS

(000s omitted)

	As on 31st March 2014 (Current Year) ₹	As on 31st March 2013 (Previous Year) ₹
I. Bills payable	23548,35,60	24393,64,28
II. Inter Bank Adjustments (net)	466,14,52	167,13,54
III. Inter Office adjustments (net)	2290,42,65	16384,11,49
IV. Interest accrued	20597,45,39	17778,02,18
V. Deferred Tax Liabilities (net)	3398,97,96	719,09,59
VI. Liabilities relating to Policyholders in Insurance Business	56846,15,54	50216,61,30
VII. Others (including provisions)	73942,34,04	63037,25,50
TOTAL	**181089,85,70**	**172695,87,88**

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(000s omitted)

	As on 31st March 2014 (Current Year) ₹	As on 31st March 2013 (Previous Year) ₹
I. Cash in hand (including foreign currency notes and gold)	14849,14,48	13569,34,83
II. Balances with Reserve Bank of India		
(i) In Current Account	99246,45,90	76004,68,28
(ii) In Other Accounts	-	-
TOTAL	**114095,60,38**	**89574,03,11**

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(000s omitted)

	As on 31st March 2014 (Current Year) ₹	As on 31st March 2013 (Previous Year) ₹
I. In India		
(i) Balances with banks		
(a) In Current Account	1026,89,51	700,22,10
(b) In Other Deposit Accounts	15630,13,06	6059,57,08
(ii) Money at call and short notice		
(a) With banks	4135,31,12	7211,71,57
(b) With Other Institutions	100,48,66	700,00,00
TOTAL	**20892,82,35**	**14671,50,75**
II. Outside India		
(i) In Current Account	11324,56,64	27157,14,31
(ii) In Other Deposit Accounts	3927,18,74	5345,93,68
(iii) Money at call and short notice	16921,16,36	8479,10,75
TOTAL	**32172,91,74**	**40982,18,74**
GRAND TOTAL (I and II)	**53065,74,09**	**55653,69,49**

SCHEDULE 8 - INVESTMENTS

(000s omitted)

	As on 31st March 2014 (Current Year) ₹	As on 31st March 2013 (Previous Year) ₹
I. Investments in India in		
(i) Government Securities	436289,66,81	391862,07,81
(ii) Other Approved Securities	3759,91,70	2871,56,85
(iii) Shares	26319,05,18	24444,08,86
(iv) Debentures and Bonds	40786,62,95	30162,07,06
(v) Associates	1967,24,65	1572,37,89
(vi) Others (Units of Mutual Funds, Commercial Papers, Priority Sector Deposits etc.)	44817,68,74	46895,92,91
TOTAL	**553940,20,03**	**497808,11,38**
II. Investments outside India in		
(i) Government Securities (including local authorities)	5690,15,04	4569,27,23
(ii) Associates	78,88,78	70,69,84
(iii) Other Investments (Shares, Debentures, etc.)	19083,84,76	16895,33,94
TOTAL	**24852,88,58**	**21535,31,01**
GRAND TOTAL (I and II)	**578793,08,61**	**519343,42,39**
III. Investments in India		
(i) Gross Value of Investments	555014,33,20	498872,60,32
(ii) Less: Aggregate of Provisions / Depreciation	1074,13,17	1064,48,94
(iii) Net Investments (vide I above)	**553940,20,03**	**497808,11,38**
IV. Investments outside India		
(i) Gross Value of Investments	25766,10,47	21918,59,03
(ii) Less: Aggregate of Provisions / Depreciation	913,21,89	383,28,02
(iii) Net Investments (vide II above)	**24852,88,58**	**21535,31,01**
GRAND TOTAL (III and IV)	**578793,08,61**	**519343,42,39**

SCHEDULE 9 - ADVANCES

(000s omitted)

	As on 31st March 2014 (Current Year) ₹	As on 31st March 2013 (Previous Year) ₹
A. (i) Bills purchased and discounted	91517,31,35	102044,39,37
(ii) Cash Credits,Overdrafts and Loans Repayable on demand	683760,56,46	615349,13,44
(iii) Term Loans	802998,80,79	675214,50,52
TOTAL	**1578276,68,60**	**1392608,03,33**
B. (i) Secured by tangible assets (includes advances against Book Debts)	1280360,65,69	1071886,44,08
(ii) Covered by Bank / Government Guarantees	63952,71,71	100582,82,89
(iii) Unsecured	233963,31,20	220138,76,36
TOTAL	**1578276,68,60**	**1392608,03,33**
C. (I) Advances in India		
(i) Priority Sector	406748,82,39	375962,79,00
(ii) Public Sector	93966,45,02	73636,90,26
(iii) Banks	2357,09,12	892,64,87
(iv) Others	853186,41,69	765498,22,60
TOTAL	**1356258,78,22**	**1215990,56,73**
(II) Advances outside India		
(i) Due from banks	47709,25,29	32972,34,89
(ii) Due from others		
(a) Bills purchased and discounted	11805,57,98	21229,56,72
(b) Syndicated loans	86829,50,40	58531,61,40
(c) Others	75673,56,71	63883,93,59
TOTAL	**222017,90,38**	**176617,46,60**
GRAND TOTAL [C (I). and C (II)]	**1578276,68,60**	**1392608,03,33**

SCHEDULE 10 - FIXED ASSETS

(000s omitted)

	As on 31st March 2014 (Current Year) ₹		As on 31st March 2013 (Previous Year) ₹	
I. Premises				
At cost as on 31st March of the preceding year	3790,01,43		3049,04,67	
Additions during the year	587,53,74		743,84,48	
Deductions during the year	49,06,57		2,87,72	
Depreciation to date	1302,39,62	3026,08,98	1171,88,75	2618,12,68
II. Other Fixed Assets (including furniture and fixtures)				
At cost as on 31st March of the preceding year	17934,14,11		15564,28,36	
Additions during the year	3600,44,81		3053,14,77	
Deductions during the year	710,20,86		683,29,02	
Depreciation to date	13646,54,03	7177,84,03	11881,71,46	6052,42,65
III. Leased Assets				
At cost as on 31st March of the preceding year	910,06,68		917,80,50	
Additions during the year	1,78,47		12,30,01	
Deductions during the year	549,94,30		20,03,83	
Depreciation to date (including provisions)	338,62,60		882,62,21	
	23,28,25		27,44,47	
Less : Lease Adjustment Account	4,70,45	18,57,80	4,50,18	22,94,29
IV. Assets under Construction		337,27,29		676,42,94
TOTAL		**10559,78,10**		**9369,92,56**

SCHEDULE 11 - OTHER ASSETS

(000s omitted)

	As on 31st March 2014 (Current Year) ₹	As on 31st March 2013 (Previous Year) ₹
(i) Inter Office adjustments (net)	1349,05,72	1335,13,92
(ii) Interest accrued	19447,20,53	16750,54,58
(iii) Tax paid in advance / tax deducted at source	13857,90,18	7246,74,38
(iv) Stationery and Stamps	148,07,48	125,23,07
(v) Non-banking assets acquired in satisfaction of claims	25,86,21	29,58,53
(vi) Deferred tax assets (net)	425,59,10	594,29,46
(vii) Others #	25937,01,98	40477,92,21
TOTAL	**61190,71,20**	**66559,46,15**

Includes Goodwill on consolidation ₹ 948,35,01 thousand (P.Y. ₹ 728,55,26 thousand)

SCHEDULE 12 - CONTINGENT LIABILITIES

(000s omitted)

	As on 31st March 2014 (Current Year) ₹	As on 31st March 2013 (Previous Year) ₹
I. Claims against the group not acknowledged as debts	15987,93,15	8866,77,44
II. Liability for partly paid investments	4,29,55	6,13,51
III. Liability on account of outstanding forward exchange contracts	669552,27,69	548862,16,67
IV. Guarantees given on behalf of constituents		
(a) In India	129416,15,78	117565,83,83
(b) Outside India	75524,66,13	81047,16,27
V. Acceptances, endorsements and other obligations	149365,05,83	149889,00,38
VI. Other items for which the group is contingently liable	132715,30,32	150246,67,92
TOTAL	**1172565,68,45**	**1056483,76,02**
Bills for collection	**90196,99,38**	**80201,66,95**

SCHEDULE 13 - INTEREST EARNED

(000s omitted)

	Year Ended 31st March 2014 (Current Year) ₹	Year ended 31st March 2013 (Previous Year) ₹
I. Interest / discount on advances/ bills	141382,60,20	126442,17,69
II. Income on Investments	44855,68,41	38701,23,25
III. Interest on balances with Reserve Bank of India and other inter-bank funds	1144,71,07	1338,70,42
IV. Others	1679,44,36	1494,02,52
TOTAL	**189062,44,04**	**167976,13,88**

SCHEDULE 14 - OTHER INCOME

(000s omitted)

	Year Ended 31st March 2014 (Current Year) ₹	Year ended 31st March 2013 (Previous Year) ₹
I. Commission, exchange and brokerage	15086,59,59	13861,89,39
II. Profit /(Loss) on sale of investments (Net)	4254,27,38	2861,82,55
III. Profit /(Loss) on revaluation of investments (Net)	1882,38,03	594,91,28
IV. Profit /(Loss) on sale of land, building and other assets including leased assets (net)	(46,23,72)	(40,53,82)
V. Profit /(Loss) on exchange transactions (Net)	2297,23,02	1902,59,26
VI. Dividends from Associates in India/ abroad	2,28,75	12,86,75
VII. Income from Finance Lease	2,57,65	61,25
VIII.Credit Card membership/ service fees	575,22,01	400,66,84
IX. Insurance Premium Income (net)	10672,75,58	10415,77,26
X. Miscellaneous Income	3155,04,31	2573,09,02
TOTAL	**37882,12,60**	**32583,69,78**

SCHEDULE 15 - INTEREST EXPENDED

(000s omitted)

	Year Ended 31st March 2014 (Current Year) ₹	Year ended 31st March 2013 (Previous Year) ₹
I. Interest on Deposits	109113,09,22	96302,48,84
II. Interest on Reserve Bank of India/ Inter-bank borrowings	6126,95,06	4736,59,97
III. Others	6239,00,06	5778,82,48
TOTAL	**121479,04,34**	**106817,91,29**

SCHEDULE 16 - OPERATING EXPENSES

(000s omitted)

	Year Ended 31st March 2014 (Current Year) ₹	Year ended 31st March 2013 (Previous Year) ₹
I. Payments to and provisions for employees	29868,35,94	24401,09,07
II. Rent, taxes and lighting	3940,37,28	3252,70,34
III. Printing & Stationery	471,13,20	419,33,83
IV. Advertisement and publicity	609,53,95	643,67,08
V. (a) Depreciation on Leased Assets	6,01,33	4,66,19
(b) Depreciation on Fixed Assets (other than Leased Assets)	1936,41,20	1572,83,04
VI. Directors' fees, allowances and expenses	6,55,27	7,55,97
VII. Auditors' fees and expenses (including branch auditors' fees and expenses)	253,76,30	186,76,13
VIII. Law charges	315,85,95	248,83,62
IX. Postages, Telegrams, Telephones, etc.	869,16,22	682,63,85
X. Repairs and maintenance	591,75,80	530,12,53
XI. Insurance	1981,23,84	1596,69,48
XII. Amortization of deferred revenue expenditure	92,17,84	78,86,98
XIII. Other Operating Expenses relating to Credit Card Operations	381,79,64	319,08,12
XIV. Other Operating Expenses relating to Insurance Business	15839,61,53	13450,63,98
XV. Other Expenditure	6204,98,48	5424,29,52
TOTAL	**63368,73,77**	**52819,79,73**

SCHEDULE 17- SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation:

The accompanying financial statements have been prepared under the historical cost convention, on the accrual basis of accounting on going concern basis, unless otherwise stated and conform in all material aspect to Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, regulatory norms/guidelines prescribed by the Reserve Bank of India (RBI), Banking Regulation Act, 1949, Insurance Regulatory and Development Authority (IRDA), Pension Fund Regulatory and Development Authority (PFRDA), SEBI (Mutual Funds) Regulations, 1996, Companies Act, Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and the prevalent accounting practices in India. In case of foreign entities, Generally Accepted Accounting Principles as applicable to the foreign entities are followed.

B. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

C. Basis of Consolidation:

1. Consolidated financial statements of the Group **(comprising of 29 subsidiaries, 8 Joint Ventures and 22 Associates)** have been prepared on the basis of:

   a. Audited accounts of State Bank of India (Parent).

   b. Line by line aggregation of each item of asset/liability/income/expense of the subsidiaries with the respective item of the Parent, and after eliminating all material intra-group balances/transactions, unrealised profit/loss, and making necessary adjustments wherever required for non-uniform accounting policies as per AS 21 "Consolidated Financial Statements" issued by the ICAI.

   c. Consolidation of Joint Ventures – 'Proportionate Consolidation' as per AS 27 "Financial Reporting of Interests in Joint Ventures" of 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" of 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 at the date on which investment in a subsidiary is made, and

   b. The minority share of movements in revenue reserves/loss (equity) since the date the parent-subsidiary relationship came into existence.

D. Significant Accounting Policies

1. Revenue recognition:

1.1 Income and expenditure are accounted on accrual basis, except otherwise stated. As regards, foreign offices/entities, income and expenditure are recognised as per the local laws of the country in which the respective foreign offices/entities are located.

1.2 Interest income is recognised in the Profit and Loss Account as it accrues except (i) income from Non-Performing Assets (NPAs), comprising of advances, leases and investments, which is recognised upon realisation, as per the prudential norms prescribed by the RBI/ respective country regulators in the case of foreign offices/entities (hereafter collectively referred to as Regulatory Authorities), (ii) overdue interest on investments and bills discounted, (iii) Income on Rupee Derivatives designated as "Trading", which are accounted on cash basis.

1.3 Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, the profit on sale of investments in the 'Held to Maturity' category is appropriated (net of applicable taxes and amount required to be transferred to statutory reserve) to 'Capital Reserve Account'.

1.4 Income from finance leases is calculated by applying the interest rate implicit in the lease to the net investment outstanding in the lease, over the primary lease period. Leases effective from April 1, 2001 are accounted as advances at an amount equal to the net investment in the lease as per Accounting Standard 19 – Leases, issued by ICAI. The lease rentals are apportioned between principal and finance income based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of finance leases. The principal amount is utilized for reduction in balance of net investment in lease and finance income is reported as interest income.

1.5 Income (other than interest) on investments in "Held to Maturity" (HTM) category acquired at a discount to the face value, is recognised as follows :

i. On Interest bearing securities, it is recognised only at the time of sale/ redemption.

ii. On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

1.6 Dividend is accounted on an accrual basis where the right to receive the dividend is established.

1.7 All other commission and fee incomes are recognised on their realisation except for (i) Guarantee commission on deferred payment guarantees, which is spread over the period of the guarantee; (ii) Commission on Government Business and ATM interchange fees, which are recognised as they accrue; and (iii) Upfront fees on restructured accounts, which is apportioned over the restructured period.

1.8 One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over average loan period of 15 years.

1.9 Brokerage, Commission etc. paid/incurred in connection with issue of Bonds/Deposits are amortized over the tenure of the related Bonds/ Deposits and the expenses incurred in connection with the issue are charged upfront.

1.10 The sale of NPA is accounted as per guidelines prescribed by RBI :-

i. When the bank sells its financial assets to Securitisation Company (SC)/Reconstruction Company (RC), the same is removed from the books.

ii. If the sale is at a price below the net book value (NBV) (i.e., book value less provisions held), the shortfall is debited to the profit and loss account of the year of sale.

iii. If the sale is for a value higher than the NBV, the excess provision is reversed in the year the amounts are received, as permitted by the RBI.

1.11 Non-banking entities:

Merchant Banking:

a. Issue management and advisory fees are recognised as per the terms of the agreement with the client, net of pass-through.

b. Fees for private placement are recognised on completion of assignment.

c. Brokerage income in relation to stock broking activity is recognized on the trade date of transaction and includes stamp duty, transaction charges and is net of scheme incentives paid.

d. Commission relating to public issues is accounted for on finalisation of allotment of the public issue/receipt of information from intermediary.

e. Brokerage income relating to public issues/ mutual fund/other securities is accounted for based on mobilisation and intimation received from clients/intermediaries.

f. Depository income – Annual Maintenance Charges are recognised on accrual basis and transaction charges are recognised on trade date of transaction.

Asset Management:

a. Management fee is recognised on accrual basis at specific rates, applied on the average daily net assets of each scheme. The fees charged are in accordance with the terms of Scheme Information Document of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

b. Portfolio Advisory Service and Portfolio Management Service income is recognised on accrual basis as per the terms of the contract.

c. Recovery, if any, on realisation of devolved investments of schemes acquired by the company, in terms of right of subrogation, is accounted on the basis of receipts.

d. Recovery from funded guarantee schemes is recognised as income in the year of receipt.

e. Scheme Expenses: 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.

Credit Card Operations:

a. Joining membership fee and first annual fee is recognised over a period of one year as this more closely reflects the period to which the fee relates to.

b. Interchange income is recognised on accrual basis.

c. Interest & Subvention Income are recognised over the tenure of loans.

d. All other service income/fees are recorded at the time of occurrence of the respective events.

Factoring:

Factoring charges are accrued on factoring of debts at the applicable rates as decided by the company. Processing fees and Facility Continuation fees are recognised as income only when there is reasonable certainty of its receipt after execution of documents.

Life Insurance:

a. Premium of non-linked business is recognised as income (net of 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, premium income is recognised on the date when the Policy Account Value is credited. Uncollected premium from lapsed policies is not recognised as income until such policies are revived.

b. 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.

c. Premium ceded on reinsurance is accounted in accordance with the terms of the treaty or in-principle arrangement with the Re-Insurer.

d. 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 are accounted as and when intimated. Benefits paid also includes amount payable on lapsed policies which are accounted for as and when due. Surrenders 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.

e. Acquisition costs such as commission, medical fees, etc. are costs that are primarily related to the acquisition of new and renewal insurance contracts and are expensed as and when incurred.

f. 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 IRDA and the relevant Guidance Notes and/or Actuarial Practice Standards (APS) issued by the Institute of Actuaries of India.

   The liability in respect of non-linked business has been calculated by using prospective gross premium valuation method. The unit liability in respect of linked business has been taken as the value of the units standing to the credit of the policy holders, using the Net Asset Value (NAV) prevailing at the valuation date. The variable insurance policies have also been valued in a manner similar to the ULIP business by taking liability as the policy account standing to the credit of the policy holders plus additional provisions for adequacy of charges to meet expenses.

General Insurance:

a. Premium is recorded in the books at the commencement of risk. In case the premium is recovered in instalments, amount to the extent of instalment due is recorded on the due date of the instalment. Premium (net of service tax), including reinstatement premium, on direct business and reinsurance accepted, is recognized as income over the contract period or the period of risk, whichever is appropriate, on a gross basis under 1/365 method. Any subsequent revision to premium is recognized over the remaining period of risk or contract period. Adjustments to premium income arising on cancellation of policies are recognised in the period in which they are cancelled.

b. Commission received on reinsurance ceded is recognised as income in the period in which reinsurance risk is ceded. Profit commission under re-insurance treaties, wherever applicable, is recognized as income in the year of final determination of the profits as intimated by Reinsurer and combined with commission on reinsurance ceded.

c. In respect of proportional reinsurance ceded, the cost of reinsurance ceded is accrued at the commencement of risk. Non-proportional reinsurance cost is recognized when due. Non-proportional reinsurance cost is accounted as per the terms of the reinsurance arrangements. Any subsequent revision to, refunds or cancellations of premiums is recognized in the period in which they occur.

d. Reinsurance inward acceptances are accounted for on the basis of returns, to the extent received, from the insurers.

e. Acquisition costs such as commission, policy issue expenses etc. are costs that vary with, and are primarily related to the acquisition of new and renewal insurance contracts and are expensed in the period in which they are incurred. The primary test for determination as acquisition cost is obligatory relationship between the costs and the execution of the insurance contracts (i.e. commencement of risk).

f. Claim is recognized as and when a loss occurrence is reported. Provision for claims outstanding payable as on the date of Balance Sheet is net of reinsurance, salvage value and other recoveries as estimated by the management.

g. Provision in respect of claim liabilities that may have been incurred during an accounting period but not reported or claimed (IBNR) or not enough reported (i.e. reported with information insufficient for making a reasonable estimate of likely claim amount) (IBNER) before the end of the accounting period, is the amount determined by the Appointed Actuary/Consulting Actuary based on actuarial principles in accordance with the Guidance Notes issued by the Institute of Actuaries of India with the concurrence of the IRDA and any directions issued by IRDA in this respect.

Custodial & related services:

The revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Pension Fund Operation:

Management fee is recognized at specified rates agreed with the relevant schemes, applied on daily net assets of each scheme, and is in conformity with the regulatory guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA). The Company presents revenues net of Service Tax.

Trustee Operations:

Mutual Fund Trusteeship fees are recognised on an accrual basis in accordance with the respective terms of trust deeds as entered into with the counterparty and is in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.

Corporate Trusteeship Acceptance fees are recognised on acceptance of trusteeship assignment. Corporate Trusteeship service charges are recognised on the basis of terms of trusteeship contracts/agreements entered into with clients.

2. Investments:

The transactions in Government Securities are recorded on "Settlement Date". Investments other than Government Securities are recorded on "Trade Date".

2.1 Classification:

Investments are classified into three categories, viz. Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT)

2.2 Basis of classification:

i. Investments that the Bank intends to hold till maturity are classified as "Held to Maturity (HTM)".

ii. Investments that are held principally for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)".

iii. Investments, which are not classified in the above two categories, are classified as "Available for Sale (AFS)".

iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.

2.3 Valuation:

A. Banking Business:

i. In determining the acquisition cost of an investment:

a. Brokerage/commission received on subscriptions is reduced from the cost.

b. Brokerage, commission, securities transaction tax, etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.

c. Broken period interest paid / received on debt instruments is treated as interest expense/income and is excluded from cost/sale consideration.

d. Cost of investment under AFS and HFT category is determined at the weighted average cost method by the group entities and cost of investments under HTM category is determined on FIFO basis (first in first out) by SBI and weighted average cost method by other group entities.

ii. Transfer of securities from HFT/AFS category to HTM category is carried out at the lower of acquisition cost/book value/ market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out on acquisition price/ book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.

iii. Treasury Bills and Commercial Papers are valued at carrying cost.

iv. Held to Maturity category: Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head "interest on investments". A provision is made for diminution, other than temporary, for each investment individually. Investments in Regional Rural Banks (RRBs) are valued at equity cost determined in accordance with AS 23 of the ICAI.

v. Available for Sale and Held for Trading categories: Investments held under AFS and HFT categories are individually revalued at the market price or fair value determined as per Regulatory guidelines, and only the net depreciation of each group for each category is provided for and net appreciation, is ignored. On provision for depreciation, the book value of the individual securities remains unchanged after marking to market.

vi. In case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognised at lower of (i) Net Book Value (NBV) (i.e., book value less provisions held) of the financial asset and (ii) Redemption of SR. Security receipts issued by an asset reconstruction company (ARC) are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the security receipts issued by the 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 ARC, is reckoned for valuation of such investments.

vii. Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in the case of domestic offices/entities and respective regulators in the case of foreign offices/ entities. Investments of domestic offices become non-performing where:

a. Interest/instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.

b. In the case of equity shares, in the event the investment in the shares of any company is valued at Re. 1 per company on account of the non availability of the latest balance sheet, those equity shares would be reckoned as NPI.

c. If any credit facility availed by the issuer is NPA in the books of the bank, investment in any of the securities issued by the same issuer would also be treated as NPI and vice versa.

d. The above would apply mutatis-mutandis to preference shares where the fixed dividend is not paid.

e. The investments in debentures/bonds, which are deemed to be in the nature of advance, are also subjected to NPI norms as applicable to investments.

f. In respect of foreign offices, provisions for non performing investments are made as per the local regulations or as per the norms of RBI, whichever is higher.

viii. **Accounting for Repo/ reverse repo transactions (other than transactions under the Liquidity Adjustment Facility (LAF) with the RBI)**

The securities sold and purchased under Repo/ Reverse repo are accounted as Collateralized lending and borrowing transactions. However securities are transferred as in the case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be.

a. Balance in Repo A/c is classified under schedule 4 (Borrowings) and balance in Reverse Repo A/c is classified under schedule 7 (Balance with Banks and Money at Call & Short Notice).

b. Securities purchased / sold under LAF with RBI are debited / credited to Investment Account and reversed on maturity of the transaction. Interest expended / earned thereon is accounted for as expenditure / revenue.

B. Insurance Business:

In case of life and general insurance subsidiaries, investments are made in accordance with the Insurance Act, 1938, the IRDA (Investment) Regulations, 2000, and various other circulars or notifications issued by IRDA in this context 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 are stated at historical cost, subject to amortisation of premium or accretion of discount.
- Listed equity securities 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 price is not available on a particular valuation day, the closing price of the secondary exchange i.e. BSE Limited ('BSE') is considered.
- Unlisted equity securities are measured at historical cost.
- 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.

  Unrealized gains or losses arising due to changes in the fair value of listed equity shares and mutual fund units 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: -**

- Government securities with remaining maturity of more than one year are valued at prices obtained from Credit Rating Information Services of India Limited ('CRISIL') except Government of India scrips which are valued at prices obtained from FIMMDA. Debt securities other than Government securities with remaining maturity of more than one year are valued on the basis of CRISIL Bond Valuer. The amortised or average cost of Government and other debt securities with remaining maturity of one year or less are amortised over the remaining life of the securities. Unrealised gains or losses arising on such valuation are recognized in the Profit & Loss Account.

- Listed equity securities 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 price is not available on a particular valuation day, closing price of the secondary exchange i.e. BSE is considered.

- Investments in mutual fund units are valued at the previous day's Net Asset Value (NAV).

  Unrealized gains or losses arising due to changes in the fair value of equity securities and mutual fund units are recognized in the Profit & Loss Account.

- Unlisted equity securities are measured at historical cost.

3. Loans /Advances and Provisions thereon:

3.1 Loans and Advances are classified as performing and non-performing, based on the guidelines issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where:

i. In respect of term loans, interest and/or instalment of principal remains overdue for a period of more than 90 days;

ii. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance-sheet, or if the credits are not adequate to cover the interest due during the same period;

iii. In respect of bills purchased/discounted, the bill remains overdue for a period of more than 90 days;

iv. In respect of agricultural advances for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons;

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

3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.

3.6 For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loan before and after restructuring is provided for, in addition to provision for NPAs. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, 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 Net NPAs.

4. Floating Provision:

The Bank has a policy for creation and utilisation of floating provisions separately for advances, investments and general purpose. The quantum of floating provisions to be created is assessed at the end of each financial year. The floating provisions are utilised only for contingencies under extra ordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

5. Provision for Country Exposure for Banking Entities:

In addition to the specific provisions held according to the asset classification status, provisions are held for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in schedule 5 of the Balance Sheet under the "Other liabilities & Provisions – Others".

6. Derivatives:

6.1 The Bank enters into derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, and cross currency interest rate swaps and forward rate agreements in order to hedge on-balance sheet/off-balance sheet assets and liabilities or for trading purposes. The swap contracts entered to hedge on-balance sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments is correlated with the movement of the underlying assets and accounted in accordance with the principles of hedge accounting.

6.2 Derivative contracts classified as hedge are recorded on accrual basis. Hedge contracts are not marked to market unless the underlying Assets / Liabilities are also marked to market.

6.3 Except as mentioned above, all other derivative contracts are marked to market as per the generally accepted accounting practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the profit and loss account in the period of change. Any receivable under derivatives contracts, which remain overdue for more than 90 days, are reversed through profit and loss account to "Suspense A/c - 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 A/c - 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 options.

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

7. Fixed Assets' Depreciation and Amortisation:

7.1 Fixed assets are carried at cost less accumulated depreciation/ amortisation.

7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefits from such assets or their functioning capability.

7.3 The rates of depreciation and method of charging depreciation in respect of domestic operations are as under:

Sr. No.	Description of fixed assets	Method of charging depreciation	Depreciation/ amortisation rate
1	Computers & ATM	Straight Line Method	33.33% every year
2	Computer software forming an integral part of hardware	Straight Line Method	33.33% every year
3	Computer Software which does not form an integral part of hardware	-	100% depreciated in the year of acquisition
4	Assets given on financial lease upto 31st March 2001	Straight Line Method	At the rate prescribed under the Companies Act .
5	Other fixed assets	Written down value method	At the rate prescribed under the Income-tax Rules 1962

7.4 In respect of assets acquired during the year for domestic operations, depreciation is charged for half a year in respect of assets used for upto 180 days and for the full year in respect of assets used for more than 180 days, except depreciation on computers and software, which is charged for the full year irrespective of the period for which the asset was put to use.

7.5 Items costing less than Rs. 1,000 each are charged off in the year of purchase.

7.6 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease and the lease rent is charged in the respective year (s).

7.7 In respect of assets given on lease by the Bank on or before 31st March 2001, the value of the assets given on lease is disclosed as Leased Assets under fixed assets, and the difference between the annual lease charge (capital recovery) and the depreciation is taken to Lease Equalisation Account.

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

8. Leases:

The asset classification and provisioning norms applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

9. Impairment of Assets:

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

10. Effect of changes in the foreign exchange rate:

10.1 Foreign Currency Transactions

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

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

iii. Foreign currency non-monetary items, which are carried in terms at historical cost, are reported using the exchange rate at 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 at the balance sheet date, are 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 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.

iii. Exchange differences arising on net investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the net 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.

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 exchange rates notified by FEDAI at the balance sheet date and the resulting profit/loss is included in the profit and loss account.

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

11. Employee Benefits:

11.1 Short Term Employee Benefits:

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

11.2 Long Term Employee Benefits:

i. Defined Benefit Plan

a. The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a trust established for this purpose and are charged to Profit and Loss Account. The Bank is liable for annual contributions and interests, which is payable at minimum specified rate of interest. The Bank recognizes such annual contributions and interest as an expense in the year to which they relate.

b. The group entities operate separate gratuity and pension schemes, which are defined benefit plans.

c. 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, 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 a ceiling in terms of service rules.

Vesting occurs upon completion of five years of service. The Bank makes annual contributions to a fund administered by trustees based on an independent external actuarial valuation carried out annually.

d. Some group entities provide for pension to all eligible employees. The benefit is in the form of monthly payments as per rules and regular payments 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 entities make contributions to funds administered by trustees based on an independent external actuarial valuation carried out annually.

e. 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 statement of profit and loss and are not deferred.

ii. Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/ employees joining the Bank on or after 1st August, 2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing SBI Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in the Bank and earn interest at the same rate as that of the current account of Provident Fund balance. The Bank recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

iii. Other Long Term Employee benefits:

a. All eligible employees of the Group are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long term employee benefits are internally funded by the group entities.

b. The cost of providing other long term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date. Past service cost is immediately recognised in the statement of profit and loss and is not deferred.

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

12. Taxes on income

Income tax expense is the aggregate amount of current tax, deferred tax and fringe benefit tax expense incurred by the Group. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – Accounting for Taxes on Income respectively after taking into account taxes paid at the foreign offices/entities, which are based on the tax laws of respective jurisdiction. Deferred Tax adjustments comprise 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/virtually certain.

In Consolidated Financial Statement, income tax expenses are the aggregate of the amounts of tax expense appearing in the separate financial statements of the parent and its subsidiaries/joint ventures, as per their applicable laws.

13. Earnings per Share:

13.1 The Bank reports basic and diluted earnings per share in accordance with AS 20 -'Earnings per Share' issued by the ICAI. Basic Earnings per Share are computed by dividing the net profit after tax for the year (other than minority) by the weighted average number of equity shares outstanding for the year.

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

14. Provisions, Contingent Liabilities and Contingent Assets:

14.1 In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognises provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

14.2 No provision is recognised for

i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group entities ; or

ii. any present obligation that arises from past events but is not recognised because

a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

b. a reliable estimate of the amount of obligation cannot be made.

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

14.3 Provision for reward points in relation to the debit card holders of the Bank is being provided for on actuarial estimates.

14.4 Contingent Assets are not recognised in the financial statements.

15. Bullion Transactions:

The Bank imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on price quoted by the supplier. The Bank earns a fee on such wholesale 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.

16. Special Reserves:

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

17. Share Issue Expenses:

Share issue expenses are charged to the Share Premium Account.

SCHEDULE 18 : NOTES TO ACCOUNTS

(Amount in Rupees in crores)

1. List of Subsidiaries/Joint Ventures/Associates considered for preparation of consolidated financial statements:

1.1 The 29 Subsidiaries, 8 Joint Ventures and 22 Associates including 19 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	Group's Stake (%) Previous Year
1)	State Bank of Bikaner & Jaipur	India	75.07	75.07
2)	State Bank of Hyderabad	India	100.00	100.00
3)	State Bank of Mysore	India	90.00	92.33
4)	State Bank of Patiala	India	100.00	100.00
5)	State Bank of Travancore	India	75.01	75.01
6)	SBI Capital Markets Ltd.	India	100.00	100.00
7)	SBICAP Securities Ltd.	India	100.00	100.00
8)	SBICAP Trustee Company Ltd.	India	100.00	100.00
9)	SBICAP Ventures Ltd.	India	100.00	100.00
10)	SBI DFHI Ltd.	India	71.54	71.56
11)	SBI Mutual Fund Trustee Company Pvt Ltd.	India	100.00	100.00
12)	SBI Global Factors Ltd.	India	86.18	86.18
13)	SBI Pension Funds Pvt Ltd.	India	92.60	92.60
14)	SBI –SG Global Securities Services Pvt. Ltd. @	India	65.00	65.00
15)	SBI General Insurance Company Ltd. @	India	74.00	74.00
16)	SBI Payment Services Pvt. Ltd.	India	100.00	100.00
17)	State Bank of India (Canada)	Canada	100.00	100.00
18)	State Bank of India (California)	USA	100.00	100.00
19)	SBI (Mauritius) Ltd.	Mauritius	96.36	93.40
20)	PT Bank SBI Indonesia	Indonesia	99.00	76.00
21)	State Bank of India (Botswana) Ltd.	Botswana	100.00	--
22)	SBICAP (UK) Ltd.	U.K.	100.00	100.00
23)	SBI Cards and Payment Services Pvt. Ltd. @	India	60.00	60.00
24)	SBI Funds Management Pvt. Ltd. @	India	63.00	63.00
25)	SBI Life Insurance Company Ltd. @	India	74.00	74.00
26)	Commercial Indo Bank Llc , Moscow @ #	Russia	60.00	60.00
27)	Nepal SBI Bank Ltd.	Nepal	55.28	55.28
28)	SBI Funds Management (International) Private Ltd. @	Mauritius	63.00	63.00
29)	SBICAP (Singapore) Ltd.	Singapore	100.00	100.00

@ 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 is holding in these companies in excess of 50%.

previously known as Commercial Bank of India Llc upto January 19, 2014.

B) Joint Ventures:

S. No.	Name of the Joint Venture	Country of Incorporation	Group's Stake (%) Current Year	Group's Stake (%) Previous Year
1)	C - Edge Technologies Ltd.	India	49.00	49.00
2)	GE Capital Business Process Management Services Pvt Ltd.	India	40.00	40.00
3)	SBI Macquarie Infrastructure Management Pvt. Ltd.	India	45.00	45.00
4)	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	India	45.00	45.00
5)	Macquarie SBI Infrastructure Management Pte. Ltd.	Singapore	45.00	45.00
6)	Macquarie SBI Infrastructure Trustee Ltd.	Bermuda	45.00	45.00
7)	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	India	50.00	50.00
8)	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	Group's Stake (%) 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)	Meghalaya Rural Bank	India	35.00	35.00
6)	Krishna Grameena Bank (upto 22.08.2013)	India	35.00	35.00
7)	Langpi Dehangi Rural Bank	India	35.00	35.00
8)	Madhyanchal Gramin Bank	India	35.00	35.00
9)	Mizoram Rural Bank	India	35.00	35.00
10)	Nagaland Rural Bank	India	35.00	35.00
11)	Purvanchal Bank	India	35.00	35.00
12)	Utkal Grameen Bank	India	35.00	35.00
13)	Uttarakhand Gramin Bank	India	35.00	35.00
14)	Vananchal Gramin Bank	India	35.00	35.00
15)	Saurashtra Gramin Bank	India	35.00	35.00
16)	Marudhara Gramin Bank	India	26.27	26.27
17)	Deccan Grameena Bank	India	35.00	35.00
18)	Kaveri Grameena Bank	India	31.50	32.32
19)	Malwa Gramin Bank	India	35.00	35.00
20)	The Clearing Corporation of India Ltd.	India	29.22	29.22
21)	Bank of Bhutan Ltd.	Bhutan	20.00	20.00
22)	SBI Home Finance Ltd. (under winding up)	India	25.05	25.05

a. In compliance to Securities Contract Regulations (Amendment) Rules, 2010 on public share holding, State Bank of Mysore (SBM) has issued 12,13,630 equity shares to Qualified Institutional Buyers through Institutional Placement Programme (IPP). Consequently stake of SBI in SBM has come down from 92.33% to 90% and public shareholding has increased to 10%. As a result, the Group's stake in SBI DFHI Ltd. and Kaveri Grameena Bank has been reduced from 71.56% to 71.54% and from 32.32% to 31.50% respectively due to indirect method.

b. During the year SBI has:

(i) incorporated a wholly owned subsidiary, State Bank of India (Botswana) Ltd. and invested capital equivalent to ₹ 47.37 crores.

(ii) acquired an additional stake of 23% in its subsidiary, PT Bank SBI Indonesia, by investing ₹258 crores, after which the stake of SBI is increased to 99%. Further, infused an additional amount of ₹ 157.27 crores in proportion to its share in PT Bank SBI Indonesia.

(iii) acquired an additional stake of 2.96% in its subsidiary, SBI (Mauritius) Ltd., by investing ₹24.42 crores, after which the stake of SBI is increased to 96.36%.

(iv) off-loaded its stake in Regional Rural Bank, Krishna Grameena Bank for a total value of ₹ 6.92 crores.

c. During the year, SBI and its domestic banking subsidiaries have infused the following additional capital in Regional Rural Banks (RRBs) sponsored by them :-

₹ in crores

Regional Rural Banks	Amount	Increase in % stake
Chhattisgarh Rajya Gramin Bank	31.56	Nil
Mizoram Rural Bank	6.53	Nil
Purvanchal Bank	11.73	Nil
Marudhara Gramin Bank	19.18	Nil
Total	**69.00**	

d. In accordance with notifications issued by Govt. of India, the following amalgamations have taken place in between the Regional Rural Banks (RRBs) sponsored by SBI and RRBs sponsored by other banks :-

The details of amalgamation of RRBs, where the transferee RRBs are 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	Effective Date of Amalgamation
1	Purvanchal Gramin Bank	State Bank of India	Purvanchal Bank	State Bank of India	April 1, 2013
	Ballia Etawah Gramin Bank	Central Bank of India			
2	Chhattisgarh Gramin Bank	State Bank of India	Chhattisgarh Rajya Gramin Bank	State Bank of India	September 2, 2013
	Surguja Kshetriya Gramin Bank	Central Bank of India			
	Durg Rajnandgaon Gramin Bank	Dena Bank			

The details of amalgamation of RRBs where the transferee RRB is not sponsored by SBI are as below:-

Sr. No.	Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRB	Sponsor Bank of transferee RRB	Effective Date of Amalgamation
1	Pragathi Gramin Bank	Canara Bank	Pragathi Krishna Gramin Bank	Canara Bank	August 23, 2013
	Krishna Grameena Bank	State Bank of India			

1.2 The consolidated financial statements for the financial year 2013-14 of the Group includes unaudited financial statements of State Bank of India (Canada), a subsidiary and Bank of Bhutan Ltd., an associate.

2. Share capital:

2.1 During the year, SBI has allotted 1,12,18,685 shares of ₹ 10/- each for cash at a premium of ₹ 1,772.74 per equity share aggregating to ₹ 2,000 crores under Preferential Allotment to GOI. Out of the total subscription of ₹ 2,000 crores received from GOI, an amount of ₹ 11.22 crores was transferred to Share Capital Account and ₹ 1,988.78 crores to Share Premium Account.

2.2 SBI has also allotted 5,13,20,436 equity shares of ₹ 10/- each under Qualified Institutional Placement (QIP) for cash at a premium of ₹ 1,555/- per equity share aggregating to ₹ 8,031.65 crores. Out of the total subscription received though QIP, an amount of ₹ 51.32 crores was transferred to Share Capital Account and ₹ 7,980.33 crores to Share Premium Account.

2.3 SBI has kept in abeyance the allotment of 83,075 (Previous Year 83,075) Equity Shares of ₹ 10/- each issued as a part of Rights issue - 2008, since they are subject to title disputes or are subjudice.

2.4 Expenses in relation to the issue of shares of ₹ 25.62 crores (Previous Year ₹ 3.73 crores) debited to Share Premium Account.

3. Employee Benefits:

3.1.1 Defined Benefit Plans

3.1.1.1 Employee's Pension Plans and Gratuity Plans

The following table sets out the status of the Defined Benefit Pension Plans and Gratuity Plan as required under AS 15 (Revised 2005):-

₹ in crores

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1st April 2013	50,109.94	45,956.37	9,287.23	8,514.31
Current Service Cost	1,377.26	1,501.20	269.73	322.54
Interest Cost	4,300.42	4,002.80	780.71	722.16
Past Service Cost (Vested Benefit)	Nil	Nil	0.06	Nil
Actuarial losses / (gains)	4,498.58	1,438.89	(117.85)	524.97
Benefits paid	(718.94)	(556.85)	(1,042.90)	(796.75)
Direct Payment by SBI	(2,704.21)	(2,232.47)	Nil	Nil
Closing defined benefit obligation at 31st March 2014	**56,863.05**	**50,109.94**	**9,176.98**	**9,287.23**
Change in Plan Assets				
Opening fair value of plan assets at 1st April 2013	44,715.33	35,877.71	8,595.25	7,153.07
Expected Return on Plan assets	3,903.23	3,082.04	703.92	608.73
Contributions by employer	5,079.95	5,737.17	942.51	1,547.54
Benefits Paid	(718.94)	(556.85)	(1,042.90)	(796.75)
Actuarial Gains / (Losses) on plan assets	164.25	575.26	7.55	82.66
Closing fair value of plan assets at 31st March 2014	**53,143.82**	**44,715.33**	**9,206.33**	**8,595.25**
Reconciliation of present value of the obligation and fair value of the plan assets				
Present Value of funded obligation at 31st March 2014	56,863.05	50,109.94	9,176.98	9,287.23
Fair Value of plan assets at 31st March 2014	53,143.82	44,715.33	9,206.33	8,595.25
Deficit/(Surplus)	3,719.23	5,394.61	(29.35)	691.98
Unrecognised Past Service Cost (Vested) Closing Balance	187.10	374.19	51.59	303.18
Net Liability/(Asset)	**3,532.13**	**5,020.42**	**(80.94)**	**388.80**
Amount Recognised in the Balance Sheet				
Liabilities	56,863.05	50,109.94	9,176.98	9,287.23
Assets	53,143.82	44,715.33	9,206.33	8,595.25
Net Liability / (Asset) recognised in Balance Sheet	3,719.23	5,394.61	(29.35)	691.98
Unrecognised Past Service Cost (Vested) Closing Balance	187.10	374.19	51.59	303.18
Net Liability/ (Asset)	**3,532.13**	**5,020.42**	**(80.94)**	**388.80**
Net Cost recognised in the profit and loss account				
Current Service Cost	1,377.26	1,501.20	269.73	322.54
Interest Cost	4,300.42	4,002.80	780.71	722.16
Expected return on plan assets	(3,903.23)	(3,082.04)	(703.92)	(608.73)
Past Service Cost (Amortised) Recognised	187.09	187.10	251.59	151.59
Past Service Cost (Vested Benefits) Recognised	Nil	Nil	Nil	Nil
Net Actuarial Losses / (Gains) recognised during the year	4,334.33	863.63	(125.40)	442.31
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	**6,295.87**	**3,472.69**	**472.71**	**1,029.87**
Reconciliation of expected return and actual return on Plan Assets				
Expected Return on Plan Assets	3,903.23	3,082.04	703.92	608.73
Actuarial Gains/ (Losses) on Plan Assets	164.25	575.26	7.55	82.66
Actual Return on Plan Assets	**4,067.48**	**3,657.30**	**711.47**	**691.39**
Reconciliation of opening and closing net liability/(asset) recognised in Balance Sheet				
Opening Net Liability as at 1st April 2013	5,020.42	9,233.55	388.80	854.05
Expenses as recognised in profit and loss account	6,295.87	3,472.69	472.71	1,029.87
Paid by SBI Directly	(2,704.21)	(2,232.47)	Nil	Nil
Employer's Contribution	(5,079.95)	(5,737.17)	(942.51)	(1,547.54)
Past Service Cost	Nil	283.82	0.06	52.42
Net liability/(Asset) recognised in Balance Sheet	**3,532.13**	**5,020.42**	**(80.94)**	**388.80**

Investments under Plan Assets of Gratuity Fund & Pension Fund as on March 31, 2014 are as follows:

	Pension Fund	Gratuity Fund
Category of Assets	**% of Plan Assets**	**% of Plan Assets**
Central Govt. Securities	29.79%	23.03%
State Govt. Securities	24.73%	17.42%
Debt Securities, Money Market Securities and Bank Deposits	41.21%	34.41%
Insurer Managed Funds	0.35%	22.79%
Others	3.92%	2.35%
Total	**100.00 %**	**100.00 %**

Principal actuarial assumptions:

Particulars	Pension Plans		Gratuity Plans	
	Current year	Previous year	Current year	Previous year
Discount Rate	8.75% to 9.27%	8.06% to 8.50%	8.75% to 9.31%	8.24% to 8.50%
Expected Rate of return on Plan Asset	8.75% to 9.27%	7.50% to 9.00%	8.75% to 9.31%	7.50% to 8.75%
Salary Escalation	5.00% to 5.00%	3.50% to 5.60%	5.00% to 5.00%	3.50% to 5.60%

The estimates of future salary growth, factored in actuarial valuation, taking 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, which has been relied upon by the auditors.

3.1.1.2 Employees Provident Fund

Actuarial valuation carried out in respect of interest shortfall in the Provident Fund Trust of SBI, as per Deterministic Approach shows "Nil" liability, hence no provision is made in F.Y. 2013-14.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuary appointed by the Bank:

₹ in crores

Particulars	Provident Fund	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1st April 2013	20,742.83	19,482.46
Current Service Cost	529.53	529.97
Interest Cost	1,838.65	1,593.27
Employee Contribution (including VPF)	656.87	654.91
Actuarial losses/(gains)	-	784.39
Benefits paid	(1,963.49)	(2,302.17)
Closing defined benefit obligation at 31st March 2014	**21,804.39**	**20,742.83**
Change in Plan Assets		
Opening fair value of Plan Assets as at 1st April 2013	21,223.41	19,729.16
Expected Return on Plan Assets	1,838.65	1,593.27
Contributions	1,186.40	1,184.88
Benefits Paid	(1,963.49)	(2,302.17)
Actuarial Gains / (Loss) on Plan Assets	81.45	1,018.27
Closing fair value of plan assets as at 31st March 2014	**22,366.42**	**21,223.41**
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at 31st March 2014	21,804.39	20,742.83
Fair Value of Plan assets at 31st March 2014	22,366.42	21,223.41
Deficit/(Surplus)	(562.03)	(480.58)
Net Asset not recognised in Balance Sheet	562.03	480.58

Particulars	Provident Fund	
	Current Year	Previous Year
Net Cost recognised in the profit and loss account		
Current Service Cost	529.53	529.97
Interest Cost	1,838.65	1,593.27
Expected return on plan assets	(1,838.65)	(1,593.27)
Interest shortfall reversed	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	**529.53**	**529.97**
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1st April 2013	-	-
Expense as above	529.53	529.97
Employer's Contribution	(529.53)	(529.97)
Net Liability/(Asset) Recognized In The Balance Sheet	-	-

Investments under Plan Assets of Provident Fund as on March 31, 2014 are as follows:

	Provident Fund
Category of Assets	**% of Plan Assets**
Central Govt. Securities	38.97%
State Govt. Securities	16.63%
Debt Securities, Money Market Securities and Bank Deposits	41.08%
Insurer Managed Funds	-
Others	3.32%
Total	100.00%

Principal actuarial assumptions

Particulars	Provident Fund	
	Current year	Previous year
Discount Rate	9.35%	8.50%
Guaranteed Return	8.75%	8.25%
Attrition Rate	2.00%	2.00%

3.1.2 Defined Contribution Plans

3.1.2.1 Employees Provident Fund

An amount of ₹ 31.29 crores (Previous Year ₹ 26.68 crores) is recognised as an expense towards the Provident Fund Scheme by the group (excluding SBI) and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

3.1.2.2 Defined Contribution Pension Scheme

The Defined Contribution Pension Scheme (DCPS) is applicable to all categories of officers and employees joining the SBI, its Domestic Banking Subsidiaries i.e. State Bank of Bikaner & Jaipur and State Bank of Hyderabad on or after August 01, 2010 and for other Domestic Banking Subsidiaries (comprising State Bank of Mysore, State Bank of Patiala and State Bank of Travancore) the scheme is applicable to all categories of officers and employees who join on or after April 01, 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During the year, an amount of ₹ 160.16 crores (Previous Year ₹ 98.97 crores) has been contributed in the scheme.

3.1.3 Other Long term Employee Benefits

Amount of ₹ (-) 19.56 crores (Previous Year ₹ 885.98 crores) is (written back)/provided towards Long Term Employee Benefits and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

Details of Provisions made for various long Term Employees' Benefits during the year;

₹ in crores

Sl. No.	Long Term Employees' Benefits	Current Year	Previous Year
1	Privilege Leave (Encashment) incl. leave encashment at the time of retirement	448.98	704.49
2	Leave Travel and Home Travel Concession (Encashment/Availment)	7.00	79.03
3	Sick Leave	(385.64)	14.64
4	Silver Jubilee/Long Term Service Award	(11.14)	43.79
5	Resettlement Expenses on Superannuation	1.07	5.51
6	Casual Leave	(82.55)	17.89
7	Retirement Award	2.72	20.63
Total		**(19.56)**	**885.98**

The provision towards Sick Leave and Casual Leave has been assessed by SBI, based on the actuarial valuation considering the past behavioural pattern, as on March 31, 2014 is ₹ Nil. Accordingly, the existing provision of ₹ 474.97 crores has been reversed during the year.

3.1.4 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.

3.1.5 Unamortised Pension & Gratuity Liabilities

3.1.5.1 Gratuity

In accordance with RBI Circular No. DBOD.BP.BC.80/21.04.018/2010-11 dated February 9, 2011, SBI and its domestic banking subsidiaries (DBS) had opted to amortise the additional liability on account of enhancement in Gratuity limit over a period of 5 years beginning with the financial year ended March 31, 2011. Accordingly, DBS have charged a sum of ₹ 112.24 crores to the Profit & Loss Account, being the proportionate amount for the year ended March 31, 2014, however, SBI in the current year has decided to provide in full the balance unrecognised liability and accordingly, SBI has charged a sum of ₹ 200 crores to the Profit and Loss Account for the financial year ended March 31, 2014. The unamortized liability of DBS ₹ 110.19 crores as on March 31, 2014 will be amortized proportionately in accordance with the above circular.

3.1.5.2 Pension

The domestic banking subsidiaries have charged an amount of ₹ 360.47 crores to Profit & Loss Account being the proportionate amount for the year ended March 31, 2014 towards the pension option given in financial year ended March 31, 2011 to employees who had not opted for the pension scheme earlier, being amortized over 5 years beginning from the year ended March 31, 2011. The balance amount of ₹ 359.93 crores will be charged proportionately as per the directions contained in the said circular.

3.2 Segment Reporting:

3.2.1 Segment identification

A) Primary (Business Segment)

The following are the Primary Segments of the Group:

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Insurance Business
- Other Banking Business

The present accounting and information system of the 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:

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, Mid Corporate Accounts Group and Stressed Assets Management 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 branches in National Banking Group, which primarily includes personal Banking activities including lending activities to corporate customers having Banking relations with branches in the National Banking Group. This segment also includes agency business and ATMs

d) **Insurance Business –** The Insurance Business Segment comprises of the results of SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd.

e) **Other Banking business –** Segments not classified under (a) to (d) above are classified under this primary segment. This segment also includes the operations of all the Non-Banking Subsidiaries/Joint Ventures other than SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd. of the group.

B) Secondary (Geographical Segment):

a) **Domestic operations -** Branches, Subsidiaries and Joint Ventures having operations in India.

b) **Foreign operations -** Branches, Subsidiaries and Joint Ventures having operations outside India and offshore banking units having operations in India.

C) Pricing of Inter-segmental Transfers

The Retail Banking segment is the primary resource mobilising unit. The Corporate/Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

D) Allocation of Revenue, Expenses, Assets and liabilities

Expenses of parent incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

Revenue, expenses, assets and liabilities which relate to the enterprise as a whole and are not allocable to any segment on a reasonable basis, have been reported as Unallocated.

3.2.2 SEGMENT INFORMATION

PART A: PRIMARY (BUSINESS) SEGMENTS:

₹ in crores

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Insurance Business	Other Banking Operations	Elimination	TOTAL
Revenue	42,418.29 (33,722.31)	73,300.30 (65,688.06)	89,329.62 (82,613.11)	18,066.15 (15,264.65)	3,388.22 (2,798.89)		2,26,502.58 (2,00,087.02)
Unallocated Revenue							441.98 (472.81)
Total Revenue							2,26,944.56 (2,00,559.83)
Result	847.54 (3,909.10)	4,945.83 (10,440.31)	18,007.47 (14,161.86)	718.43 (560.15)	948.79 (900.09)		25,468.06 (29,971.51)
Unallocated Income(+)/ Expenses(–) net							-4,142.52 (-4,089.70)
Operating Profit (PBT)							21,325.54 (25,881.81)

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Insurance Business	Other Banking Operations	Elimination	TOTAL
Taxes							6,836.07 (7,558.82)
Extraordinary Profit/Loss							- (-)
Net Profit before share in profit in Associates and Minority Interest							14,489.47 (18,322.99)
Add: Share in Profit in Associates							317.73 (231.68)
Less: Minority Interest							633.43 (638.44)
Net Profit for the Group							14,173.77 (17,916.23)
Other Information:							
Segment Assets	5,45,105.61 (4,78,698.21)	9,44,851.52 (8,16,405.69)	8,12,863.85 (7,52,700.48)	62,451.99 (54,933.15)	10,975.68 (10,473.87)		23,76,248.65 (21,13,211.40)
Unallocated Assets							19,732.96 (19,897.17)
Total Assets							23,95,981.61 (21,33,108.57)
Segment Liabilities	2,64,556.11 (2,72,060.80)	8,16,172.78 (6,69,288.50)	10,33,771.53 (9,45,349.62)	58,592.60 (51,845.39)	7,239.78 (7,158.39)		21,80,332.80 (19,45,702.70)
Unallocated Liabilities							68,278.28 (62,372.85)
Total Liabilities							22,48,611.08 (20,08,075.55)

PART B: SECONDARY (GEOGRAPHIC) SEGMENTS

₹ in crores

	Domestic Operations	Foreign Operations	TOTAL
Revenue	2,16,975.27	9,969.29	2,26,944.56
	(1,91,233.82)	(9,326.01)	(2,00,559.83)
Results	22,136.04	3,332.02	25,468.06
	(26,485.50)	(3,486.01)	(29,971.51)
Assets	21,08,607.32	2,87,374.29	23,95,981.61
	(18,86,124.68)	(2,46,983.89)	(21,33,108.57)
Liabilities	19,64,601.69	2,84,009.39	22,48,611.08
	(17,63,888.25)	(2,44,187.30)	(20,08,075.55)

(i) Income/Expenses are for the whole year. Assets/Liabilities are as at March 31, 2014.

(ii) Figures within brackets are for previous year

3.3 Related Party Disclosures:

3.3.1 Related Parties to the Group:

A) JOINT VENTURES:

1. C - Edge Technologies Ltd.
2. GE Capital Business Process Management Services Private 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.

B) ASSOCIATES:

i) Regional Rural Banks

1. Andhra Pradesh Grameena Vikas Bank
2. Arunachal Pradesh Rural Bank
3. Chhattisgarh Rajya Gramin Bank
4. Deccan Grameena Bank
5. Ellaquai Dehati Bank

6. Kaveri Grameena Bank
7. Krishna Grameena Bank (upto 22.08.2013)
8. Langpi Dehangi Rural Bank
9. Madhyanchal Gramin Bank
10. Malwa Gramin Bank
11. Marudhara Gramin Bank
12. Meghalaya Rural Bank
13. Mizoram Rural Bank
14. Nagaland Rural Bank
15. Purvanchal Bank
16. Saurashtra Gramin Bank
17. Utkal Grameen Bank
18. Uttarakhand Gramin Bank
19. Vananchal Gramin Bank

ii) Others

20. The Clearing Corporation of India Ltd.
21. Bank of Bhutan Ltd.
22. SBI Home Finance Ltd.

C) Key Management Personnel of the Bank:

1. Shri Pratip Chaudhuri, Chairman (up to 30.09.2013)
2. Smt. Arundhati Bhattacharya, Chairman (from 07.10.2013)
3. Shri Hemant G. Contractor, Managing Director & Group Executive (International Banking)
4. Shri A. Krishna Kumar, Managing Director & Group Executive (National Banking)
5. Shri Diwakar Gupta, Managing Director & Chief Financial Officer (Up to 31.07.2013)
6. Smt. Arundhati Bhattacharya, Managing Director & Chief Financial Officer (from 02.08.2013 to 06.10.2013)
7. Shri S. Vishvanathan, Managing Director & Group Executive (Associates & Subsidiaries)
8. Shri P. Pradeep Kumar , Managing Director & Group Executive (Corporate Banking) (from 27.12.2013)

3.3.2 Related Parties with whom transactions were entered into during the year:

No disclosure is required in respect of related parties, which are "State controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship are not required to be disclosed in respect of Key Management Personnel and relatives of Key Management Personnel.

3.3.3 Transactions and Balances:

₹ in crores

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Transactions during the year 2013-14			
Interest received $	0.02 (-)	- (-)	0.02 (-)
Interest paid $	4.00 (1.06)	- (-)	4.00 (1.06)
Income earned by way of Dividend $	12.24 (15.22)	- (-)	12.24 (15.22)
Other Income $	3.50 (21.24)	- (-)	3.50 (21.24)
Other Expenditure $	9.01 (231.22)	- (-)	9.01 (231.22)
Management Contract $	267.08 (227.98)	1.08 (0.95)	268.16 (228.93)
Outstanding as on 31st March 2014			
Payables			
Deposit#	95.40 (150.03)	- (-)	95.40 (150.03)
Other Liabilities#	16.32 (13.16)	- (-)	16.32 (13.16)

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Receivables			
Investments#	41.55	-	41.55
	(41.55)	(-)	(41.55)
Advances #	-	-	-
	(-)	(-)	(-)
Other Assets #	0.30	-	0.30
	(0.18)	(-)	(0.18)

(Figures in brackets pertain to previous year)

Balances as at 31st March

$ Transactions for the year

There are no material significant related party transactions during the year.

3.4 Leases:

Finance Leases

Assets taken on Financial Leases on or after April 01, 2001: The details of financial leases are given below:

₹ in crores

Particulars	Current Year	Previous Year
Total Minimum lease payments outstanding		
Less than 1 year	5.68	4.69
1 to 5 years	9.11	12.73
5 years and above	-	-
Total	**14.79**	**17.42**
Interest Cost payable		
Less than 1 year	1.49	1.51
1 to 5 years	1.09	2.16
5 years and above	-	-
Total	**2.58**	**3.67**
Present value of minimum lease payments payable		
Less than 1 year	4.19	3.18
1 to 5 years	8.02	10.57
5 years and above	-	-
Total	**12.21**	**13.75**

Operating Lease*

Premises taken on operating lease are given below:

₹ in crores

Particulars	Current Year	Previous Year
Not later than 1 year	209.55	192.38
Later than 1 year and not later than 5 years	608.53	575.01
Later than 5 years	157.73	171.25
Total	**975.81**	**938.64**
Amount of lease payments recognised in the P&L Account for the year.	235.15	211.24

Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the group entities.

* In respect of Non-Cancellable leases only.

3.5 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 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	68,40,33,971	67,10,44,838
Number of Equity Shares issued during the year	6,25,39,121	1,29,89,133
Number of Equity Shares outstanding at the end of the year	74,65,73,092	68,40,33,971
Weighted average number of equity shares used in computing basic earning per share	69,47,83,910	67,14,72,052
Weighted average number of shares used in computing diluted earning per share	69,47,83,910	67,14,72,052
Net profit (Other than minority) (₹ in crores)	14,173.77	17,916.23
Basic earnings per share (₹)	204.00	266.82
Diluted earnings per share (₹)	204.00	266.82
Nominal value per share (₹)	10.00	10.00

3.6 Accounting for Taxes on Income:

i) During the year, ₹ 1,173.66 crores has been debited to Profit and Loss Account [Previous Year ₹ 701.09 crores credited] on account of deferred tax.

ii) The break up of deferred tax assets and liabilities into major items is given below:

₹ in crores

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
Deferred Tax Assets		
Provision for Defined Benefit Schemes on account of Wage Revision	364.66	128.03
Provision for long term employee Benefits	1,632.72	2,474.34 #
Provision for Restructured Assets	837.07	Nil
Depreciation on Fixed Assets	14.37	16.31
Provision for non performing assets	205.78	362.78
Others	845.85	588.12
Total	**3,900.45**	**3,569.58**
Deferred Tax Liabilities		
Depreciation on Fixed Assets	28.02	14.01
Interest on securities	3,441.43	3,257.14
Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	2,541.06 $	Nil
Others	863.33	423.23
Total	**6,873.84**	**3,694.38**
Net Deferred Tax Assets/ (Liabilities)	(2,973.39)	(124.80)

This includes ₹ 922.15 crores being deferred tax credit arising out of provision for leave encashment for employees of SBI.

$ Includes ₹ 2,052.76 crores transferred from Revenue and Other reserves in accordance with RBI circular.

3.7 Impairment of assets:

In the opinion of the Management, there is no impairment to the assets during the year to which Accounting Standard 28 – "Impairment of Assets" applies.

3.8 Provisions, Contingent Liabilities & Contingent Assets:

a) Break up of provisions:

₹ in crores

Particulars	Current Year	Previous Year
a) Provision for Taxation		
- Current Tax	5,650.56	8,258.02
- Deferred Tax	1,173.66	(701.09)
- Fringe Benefit Tax	-	(34.06)
- Other Taxes	11.85	35.96
b) Provision on Non-Performing Assets	17,465.50	13,443.45
c) Provision on Restructured Assets	871.80	1,463.11
d) Provision on Standard Assets	1,568.87	1,090.71
e) Provision for Depreciation on Investments	876.27	(950.12)
f) Other Provisions	(11.20)	(6.85)
Total	**27,607.31**	**22,599.13**

(Figures in brackets indicate credit)

b) Floating provisions:

₹ in crores

Particulars	Current Year	Previous Year
a) Opening Balance	479.22	479.22
b) Addition during the year	-	-
c) Draw down during the year	116.85	-
d) Closing balance	**362.37**	**479.22**

c) Description of contingent liabilities (AS-29):

Sr. No	Particulars	Brief Description
1	Claims against the Group not acknowledged as debts	The parent and its constituents are parties to various proceedings in the normal course of business. It does not expect the outcome of these proceedings to have a material adverse effect on the Group's financial conditions, results of operations or cash flows. The Group is a party to various taxation matters in respect of which appeals are pending.
2	Liability on account of outstanding forward exchange contracts	The Group enters into foreign exchange contracts, currency options, forward rate agreements, currency swaps and interest rate swaps with inter-bank participants on its own account and for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. 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.

Sr. No	Particulars	Brief Description
3	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.
4	Other items for which the Group is contingently liable	These are being contested by the Group and not provided for. Further the Group has made commitments to subscribe to shares in the normal course of business.

d) 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.

e) Movement of provisions against contingent liabilities:

₹ in crores

Particulars	Current Year	Previous Year
a) Opening Balance	495.06	482.82
b) Additions during the year	116.68	92.81
c) Reductions during the year	27.82	80.57
d) Closing balance	**583.92**	**495.06**

4 The investments of life and general insurance subsidiaries have been accounted in accordance with the IRDA (Investment Regulations) 2000 instead of restating the same in accordance the accounting policy followed by the banks. The investments of insurance subsidiaries constitute approximate 9.69% (Previous Year 9.33%) of the total investments as on March 31, 2014.

5 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.

6 Additional statutory information disclosed in separate financial statements of the parent and the 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 general clarifications issued by ICAI.

7 Specific Provision for NPAs

During the year, SBI has utilized the specific provisions of ₹ 2,056.26 crores made during previous years (2011-12 and 2012-13) against certain non performing domestic advances to provide for estimated loss in the collectible amounts of such advances.

8 Pending Wage Agreement

The Ninth Bipartite Settlement entered into by the Indian Banks' Association on behalf of the member Banks with the All India Unions of Workmen expired on October 31, 2012. Pending execution of agreement for wage revision, to be effective from November 01, 2012, SBI and its domestic banking subsidiaries have made a provision of ₹ 2,353.27 crores (Previous year ₹ 923 crores) during the year. Considering the above, SBI and its Domestic Banking Subsidiaries (excluding State Bank of Mysore), on estimated basis have made a provision of ₹ 652.30 crores (Previous year ₹ 264.93 crores) towards Superannuation and other long term employee benefits.

9 Counter Cyclical Buffer

RBI vide Circular No. DBOD.No.BP.95/21.04.048/2013-14 dated February 7, 2014 on 'Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 33 per cent of Counter Cyclical Provisioning Buffer (CCPB) held by them as on March 31, 2013, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors. Accordingly, SBI has utilized the CCPB of ₹ 750 crores (as against the maximum permissible limit of ₹ 1,132 crores i.e.33% of ₹ 3,430 crores, the balance as on March 31, 2013) for making specific provision for NPAs, in accordance with the board approved policy and approval of the Board.

10 Effect of Changes in Accounting Policies

10.1 Accounting for Loyalty Reward Points

The accounting for liability on account of 'Loyalty Reward Points' has been changed from actual to actuarial valuation. The impact of the change has resulted in increase of profits of SBI by ₹ 55.48 crores.

10.2 Depreciation Policy on Computer Software forming integral part of hardware

During the year, rate of Depreciation on Computer Software forming an integral part of hardware has been changed from 60% on written down value to 33.33% on straight line basis in order to align the same with extant guidelines. Consequent to the change, additional depreciation of prior period of ₹ 7.75 crores is provided for during the year and the depreciation for the year is lower by ₹ 32.34 crores. As a result the fixed assets and profit before tax is higher by ₹ 24.59 crores.

10.3 Policy on Recognition of Premium in case of Variable Insurance Products by SBI Life Insurance Company Ltd.

Effective from this year, in case of Variable Insurance Products (viz. Flexi Smart, Life Long Pension and Life Long Pension Plus), there has been a change in accounting policy relating to recognition of premium when the Policy Account Value is credited, as against the earlier policy of recognising premium income on policy renewal date. Consequent to the change, the reported premium income, commission and change in valuation of liabilities is lower by ₹ 94.65 crores, ₹ 3.28 crores and ₹ 85.91 crores respectively.

11 Deferred Tax Liability on Special Reserve u/s 36(1)(viii)

RBI vide Circular No. DBOD.No.BP. BC.77/21.04.018/2013-14 dated December 20, 2013 on 'Deferred Tax Liability on Special Reserve created under Section 36(1)(viii) of the Income Tax Act, 1961, has advised that, as a matter of prudence, Deferred Tax Liability (DTL) should be created on Special Reserve. Further, it has allowed the banks to adjust the provision for DTL on Special Reserve as at March 31, 2013 against the Reserves and the provision for DTL on Special Reserve created from the year 2013-14 should be charged to the profit and loss account. Accordingly, an amount of ₹ 2,052.76 crores has been adjusted from the reserves for creation of DTL on Special Reserve of ₹ 6,039.30 crores as on March 31, 2013. Further an amount of ₹ 488.30 crores has been charged to Profit and Loss Account for creation of DTL on Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 for the year.

12 Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to current period 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.

(ARUNDHATI BHATTACHARYA)
CHAIRMAN

(P. PRADEEP KUMAR)
MD & GE (Corp. Bkg)

(A. KRISHNA KUMAR)
MD & GE (Int'l Bkg)

In terms of our Report of even date

For **S. VENKATRAM & CO.**
Chartered Accountants

(G. NARAYANASWAMY)
Partner : M.No. 002161
Firm Regn. No. 004656 S

Kolkata,
Dated: 23rd May 2014

STATE BANK OF INDIA

CASH FLOW STATEMENT (CONSOLIDATED) for the year ended March 31, 2014

(000s omitted)

PARTICULARS		Year ended 31.03.2014 ₹	Year ended 31.03.2013 ₹
Cash flow from operating activities			
Net Profit before taxes		21009,84,23	25475,05,21
Adjustments for :			
Depreciation on Fixed Assets		1942,42,53	1577,49,23
(Profit)/Loss on sale of Fixed Assets (Net)		46,23,72	40,53,82
(Profit)/Loss on sale of Investments (Net) (Investing Activity)		55,13,96	10,87,60
(Profit)/Loss on revaluation of Investments (Net)		(1882,38,03)	(594,91,28)
Provision on Non Performing Assets		18337,29,64	14906,55,70
Provision on Standard Assets		1568,87,36	1090,70,76
Provision for Depreciation on Investments		876,27,38	(944,45,39)
Other Provisions		(11,19,91)	(12,49,89)
Share in Profit of Associates (Investing Activity)		(317,73,35)	(231,67,78)
Dividend from Associates (Investing Activity)		(2,28,75)	(12,86,75)
Interest on Capital Instruments (Financing Activity)		4776,41,04	4706,74,29
Deferred Revenue Expenditure written off during the year		92,17,84	78,86,98
SUB TOTAL		**46491,07,66**	**46090,42,50**
Adjustments for :			
Increase/(Decrease) in Deposits		211449,74,46	212713,21,08
Increase/(Decrease) in Borrowings		17745,13,77	45485,85,12
(Increase)/Decrease in Investments		(58040,49,87)	(56539,44,79)
(Increase)/Decrease in Advances		(204005,94,91)	(243844,38,49)
Increase/(Decrease) in Other Liabilities & Provisions		7507,23,38	24226,19,12
(Increase)/Decrease in Other Assets		11031,39,62	642,31,59
SUB TOTAL		**32178,14,11**	**28774,16,13**
Taxes Paid		(12601,31,18)	(4442,36,90)
Net cash flow from operating activities	**(A)**	**19576,82,93**	**24331,79,23**
Cash flow from investing activities			
(Increase)/Decrease in Investments in Associates		(140,46,31)	(94,66,98)
Dividend from Associates		2,28,75	12,86,75
(Increase)/Decrease in Fixed Assets		(3178,51,79)	(3571,43,06)
Net Cash generated from investing activities	**(B)**	**(3316,69,35)**	**(3653,23,29)**
Cashflow from financing activities			
Proceeds from issue of equity share capital		10006,02,70	3000,34,14
Issue of Capital Instruments		2000,00,00	75,13,60
Repayment of Capital Instruments		(60,50,00)	(42,20,00)
Interest paid on Capital Instruments		(4776,41,04)	(4706,74,29)
Dividends paid including tax thereon		(4508,37,72)	(2645,16,40)
Dividends tax paid by subsidiaries		(84,50,02)	(104,90,81)
Net Cash generated from financing activities	**(C)**	**2576,23,92**	**(4423,53,76)**
Effect of exchange fluctuation on translation reserve	**(D)**	**3097,24,37**	**1381,87,57**
Net increase / (decrease) in cash and cash equivalents	**(A)+(B)+(C)+(D)**	**21933,61,87**	**17636,89,75**
Cash and Cash equivalents at the beginning of the year		**145227,72,60**	**127590,82,85**
Cash and Cash equivalents at the end of the year		**167161,34,47**	**145227,72,60**

For **S. VENKATRAM & CO.**
Chartered Accountants

(ARUNDHATI BHATTACHARYA)
CHAIRMAN

(G. NARAYANASWAMY)
Partner
Mem. No. : 002161
Firm Regn. No. : 004656 S

(P. PRADEEP KUMAR)
MD & GE (Corp. Bkg)

(A. KRISHNA KUMAR)
MD & GE (Int'l Bkg)

Kolkata
Dated 23rd May 2014

INDEPENDENT AUDITOR'S REPORT

To,
The Board of Directors,
State Bank of India,
Corporate Centre,
State Bank Bhavan,
Mumbai

1. We have audited the accompanying Consolidated Financial Statements of State Bank of India (the "Bank") and its Subsidiaries, Joint Ventures and Associates (the "Group") which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Incorporated in these consolidated financial statements are the: (a) audited accounts of the Bank audited by 14 (fourteen) Joint Auditors including us which reflect total assets of ₹17,92,235 crores as at 31st March, 2014, total revenue of ₹1,54,904 crores, profits of ₹10,891 crores and net cash inflows amounting to ₹17,729 crores for the year then ended; (b) Audited accounts of 28 (twenty eight) Subsidiaries, 8 (eight) Joint Ventures and 21 (twenty one) Associates audited by other auditors whose financial statements reflects the Group's share in total assets of ₹6,15,868 crores as at 31st March, 2014, the Group's share in total revenue of ₹74,376 crores, the Group's share in net cash inflows amounting to ₹2,905 crores, and the Group's share in profit from associates of ₹310 crores for the year then ended; (c) Unaudited accounts of 1 (one) Subsidiary and 1 (one) Associate whose financial statements reflect total assets of ₹3,360 crores as at 31st March, 2014, total revenue of ₹129 crores, net cash outflows amounting to ₹553 crores and the Group's share in profit from associates of ₹8 crores for the year then ended. The entities of the Group whose Financial Statements are included in the Consolidated Financial Statements are listed in Schedule 18 - Notes to Accounts - which forms part of the Consolidated Financial Statements of the Group.

3. We did not audit the financial statements of its Subsidiaries, Joint Ventures and Associates. These financial statements have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of other entities, is based solely on the report of the other auditors.

4. We have relied on the unaudited financial statements of 1 (one) subsidiary and 1 (one) associate, which have been consolidated on the basis of management certified financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

5. The Management of State Bank of India is responsible for the preparation of these 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 requirements of the Accounting Standard 21 – "Consolidated Financial Statements", Accounting Standard 23 – "Accounting for Investment in Associates in Consolidated Financial Statements" and Accounting Standard 27 – "Financial Reporting of Interest in Joint Ventures" issued by the Institute of Chartered Accountants of India, the requirements of Reserve Bank of India, the State Bank of India Act 1955 and other accounting principles generally accepted in India. This responsibility of the management of State Bank of India includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements of the Group that give a true and fair view and are free from material misstatement, whether due to fraud or error. In making those risk assessments, the managements of the individual entities of the Group have implemented such internal controls that are relevant to the preparation of the financial statements and designed procedures that are appropriate in the circumstances so that the internal control with regard to all the activities of the Group are effective.

AUDITOR'S RESPONSIBILITY

6. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

7. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management of the entities of the Group, as well as evaluating the overall presentation of the financial statements.

8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

9. The Audit Reports/Management Certifications on the financial statements of the Subsidiaries/Joint Ventures/Associates of State Bank of India have been forwarded to us and dealt with in preparing our report in the manner considered by us and our opinion is based solely on the reports of the other auditors/ management certificates.

OPINION

10. Subject to the limitations as indicated in Para 1 to 9 herein above, based on our audit and on 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 a subsidiary and an associate, in our opinion and to the best of our information and according to the explanations given to us, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

    (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;

    (b) in the case of the Consolidated Profit and Loss Account, of the consolidated profit of the Group for the year ended on that date; and

    (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

EMPHASIS OF MATTER

11. We draw attention to Schedule 18: 'Notes to Accounts' regarding:

    (a) Para 7: utilisation of specific provisions of ₹2,056.26 crores made in earlier years;

    (b) Para 9: utilization of counter cyclical provisioning buffer amounting to ₹750 crores towards specific provision for Non-Performing Assets;

    (c) Para 11: charge of ₹2,052.76 crores to Revenue and Other Reserves for creation of Deferred Tax Liability on Special Reserve created u/s 36(1)(viii) of Income Tax Act, as per RBI guidelines.

Our opinion is not qualified in respect of the above stated matters.

FOR S.VENKATRAM & CO.
Chartered Accountants

(G. Narayanaswamy)
Partner
Membership No.002161
Firm Regn. No. 004656 S

Place : Kolkata
Date : 23.05.2014

PILLAR 3 DISCLOSURES (CONSOLIDATED) AS AT 31.03.2014

DF-1: SCOPE OF APPLICATION

State Bank of India is the parent company to which the Basel III Framework applies. The consolidated financial statements of the group conform to Generally Accepted Accounting Principles (GAAP) in India, which comprise the statutory provisions, Regulatory / Reserve Bank of India (RBI) guidelines, Accounting Standards / guidance notes issued by the ICAI.

(i) Qualitative Disclosures:

a. List of group entities considered for consolidation for the period ended 31.03.2014

The following subsidiaries, joint ventures and associates are considered for the preparation of consolidated financial statements of SBI Group.

S. No	Name of the entity [Country of incorporation]	Included under accounting scope of consolidation (yes / no)	Method of consolidation	Included under regulatory scope of consolidation (yes / no)	Method of consolidation	Reasons for difference in the method of consolidation	Reasons if consolidated under only one of the scopes of consolidation
1	State Bank of Bikaner & Jaipur [India]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
2	State Bank of Hyderabad [India]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
3	State Bank of Mysore [India]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
4	State Bank of Patiala [India]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
5	State Bank of Travancore [India]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
6	SBI Capital Markets Ltd. [India]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
7	SBICAP Securities Ltd. [India]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
8	SBICAPS Ventures Ltd. [India]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
9	SBICAP Trustee Company Ltd. [India]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
10	SBICAP (UK) Ltd. [U.K.]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
11	SBICAP (Singapore) Ltd. [Singapore]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
12	SBI DFHI Ltd. [India]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable

S. No	Name of the entity [Country of incorporation]	Included under accounting scope of consolidation (yes / no)	Method of consolidation	Included under regulatory scope of consolidation (yes / no)	Method of consolidation	Reasons for difference in the method of consolidation	Reasons if consolidated under only one of the scopes of consolidation
13	SBI Payment Services Pvt. Ltd. [India]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
14	SBI Global Factors Ltd. [India]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
15	SBI Pension Funds Pvt Ltd. [India]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
16	SBI –SG Global Securities Services Pvt. Ltd. [India]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
17	SBI Mutual Fund Trustee Company Pvt Ltd. [India]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
18	SBI Funds Management Pvt. Ltd. [India]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
19	SBI Funds Management (International) Private Ltd. [Mauritius]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
20	SBI Cards and Payment Services Pvt. Ltd. [India]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
21	State Bank of India (California) [USA]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
22	State Bank of India (Canada) [Canada]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
23	Commercial Indo Bank Llc. , Moscow [Russia]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
24	SBI (Mauritius) Ltd. [Mauritius]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
25	PT Bank SBI Indonesia [Indonesia]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
26	Nepal SBI Bank Ltd. [Nepal]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable

S. No	Name of the entity [Country of incorporation]	Included under accounting scope of consolidation (yes / no)	Method of consolidation	Included under regulatory scope of consolidation (yes / no)	Method of consolidation	Reasons for difference in the method of consolidation	Reasons if consolidated under only one of the scopes of consolidation
27	State Bank of India (Botswana) Ltd. [Bostwana]	Yes	As per AS 21	Yes	As per AS 21	Not applicable	Not applicable
28	SBI Life Insurance Company Ltd. [India]	Yes	As per AS 21	No	Not applicable	Not applicable	Insurance Entity:Not under scope of Regulatory Consolidation
29	SBI General Insurance Company Ltd. [India]	Yes	As per AS 21	No	Not applicable	Not applicable	Insurance Entity:Not under scope of Regulatory Consolidation
30	C - Edge Technologies Ltd. [India]	Yes	As per AS 27	No	Not applicable	Not applicable	JV Entity:Not under scope of Regulatory Consolidation
31	GE Capital Business Process Management Services Pvt Ltd. [India]	Yes	As per AS 27	No	Not applicable	Not applicable	JV Entity:Not under scope of Regulatory Consolidation
32	SBI Macquarie Infrastructure Management Pvt. Ltd. [India]	Yes	As per AS 27	No	Not applicable	Not applicable	JV Entity:Not under scope of Regulatory Consolidation
33	SBI Macquarie Infrastructure Trustee Pvt. Ltd. [India]	Yes	As per AS 27	No	Not applicable	Not applicable	JV Entity:Not under scope of Regulatory Consolidation
34	Macquarie SBI Infrastructure Management Pte. Ltd. [Singapore]	Yes	As per AS 27	No	Not applicable	Not applicable	JV Entity:Not under scope of Regulatory Consolidation
35	Macquarie SBI Infrastructure Trustee Ltd. [Bermuda]	Yes	As per AS 27	No	Not applicable	Not applicable	JV Entity:Not under scope of Regulatory Consolidation
36	Oman India Joint Investment Fund – Management Company Pvt. Ltd. [India]	Yes	As per AS 27	No	Not applicable	Not applicable	JV Entity: Not under scope of Regulatory Consolidation

S. No	Name of the entity [Country of incorporation]	Included under accounting scope of consolidation (yes / no)	Method of consolidation	Included under regulatory scope of consolidation (yes / no)	Method of consolidation	Reasons for difference in the method of consolidation	Reasons if consolidated under only one of the scopes of consolidation
37	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd. [India]	Yes	As per AS 27	No	Not applicable	Not applicable	JV Entity:Not under scope of Regulatory Consolidation
38	Andhra Pradesh Grameena Vikas Bank [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
39	Arunachal Pradesh Rural Bank [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
40	Chhattisgarh Rajya Gramin Bank [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
41	Ellaquai Dehati Bank [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
42	Meghalaya Rural Bank [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
43	Krishna Grameena Bank (upto 22nd August 2013) [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
44	Langpi Dehangi Rural Bank [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
45	Madhyanchal Gramin Bank [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
46	Mizoram Rural Bank [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation

S. No	Name of the entity [Country of incorporation]	Included under accounting scope of consolidation (yes / no)	Method of consolidation	Included under regulatory scope of consolidation (yes / no)	Method of consolidation	Reasons for difference in the method of consolidation	Reasons if consolidated under only one of the scopes of consolidation
47	Nagaland Rural Bank [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
48	Purvanchal Bank [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
49	Utkal Grameen Bank [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
50	Uttarakhand Gramin Bank [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
51	Vananchal Gramin Bank [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
52	Saurashtra Gramin Bank [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
53	Marudhara Gramin Bank [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
54	Deccan Grameena Bank [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
55	Kaveri Grameena Bank [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
56	Malwa Gramin Bank [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation

S. No	Name of the entity [Country of incorporation]	Included under accounting scope of consolidation (yes / no)	Method of consolidation	Included under regulatory scope of consolidation (yes / no)	Method of consolidation	Reasons for difference in the method of consolidation	Reasons if consolidated under only one of the scopes of consolidation
57	The Clearing Corporation of India Ltd. [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
58	Bank of Bhutan Ltd. [Bhutan]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
59	SBI Home Finance Ltd. [India]	Yes	As per AS 23	No	Not applicable	Not applicable	Associate Entity: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 31.03.2014

Sr. No.	Name of the entity	Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
				NIL			

(ii) Quantitative Disclosures:

c. List of group entities considered for regulatory consolidation as on 31.03.2014

Following is the list of group entities considered under regulatory scope of consolidation:

(₹ in Crores)

Sr. No.	Name of the entity	Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) $	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
1	State Bank of Bikaner & Jaipur	India	Banking Services	5,355.92	90,876.97
2	State Bank of Hyderabad	India	Banking Services	8,369.43	141,489.05
3	State Bank of Mysore	India	Banking Services	4,548.60	73,976.35
4	State Bank of Patiala	India	Banking Services	6,131.41	114,120.73
5	State Bank of Travancore	India	Banking Services	4,574.82	105,285.42
6	SBI Capital Markets Ltd.	India	Merchant Banking and Advisory Services	980.58	1,070.24

(₹ in Crores)

Sr. No.	Name of the entity	Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) $	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
7	SBICAP Securities Ltd.	India	Securities Broking & its allied services and party distribution of financial products	123.53	189.58
8	SBICAPS Ventures Ltd.	India	Asset Management Company for Venture Capital Fund	5.34	5.59
9	SBICAP Trustee Company Ltd.	India	Corporate Trusteeship Activities	28.17	31.15
10	SBICAP (UK) Ltd.	U.K.	Arrangement of corporate finance & providing advisory services	25.93	26.47
11	SBICAP (Singapore) Ltd.	Singapore	Business & management Consultancy Services	16.50	16.63
12	SBI DFHI Ltd.	India	Primary Dealer in Govt. Securities	936.18	3,318.96
13	SBI Payment Services Pvt. Ltd.	India	Payment Solution Services	1.53	1.66
14	SBI Global Factors Ltd.	India	Factoring Activities	368.19	880.43
15	SBI Pension Funds Pvt Ltd.	India	Management of Pension Fund under New Pension Scheme (NPS)	31.59	32.68
16	SBI –SG Global Securities Services Pvt. Ltd.	India	Custodial Services and Fund Accounting Services	73.42	74.72
17	SBI Mutual Fund Trustee Company Pvt Ltd.	India	Trusteeship Services to schemes floated by SBI Mutual Fund	19.50	19.51
18	SBI Funds Management Pvt. Ltd.	India	Asset Management Services to schemes floated by SBI Mutual Fund	443.18	556.84
19	SBI Funds Management (International) Private Ltd.	Mauritius	Investment Management Services	1.61	1.92
20	SBI Cards and Payment Services Pvt. Ltd.	India	Credit Cards Business	745.98	4,713.56
21	State Bank of India (California)	USA	Banking Services	751.44	4,366.01
22	State Bank of India (Canada)	Canada	Banking Services	678.46	3,360.00
23	Commercial Indo Bank Llc. , Moscow	Russia	Banking Services	254.06	610.30
24	SBI (Mauritius) Ltd.	Mauritius	Banking Services	1,044.60	5,906.46
25	PT Bank SBI Indonesia	Indonesia	Banking Services	280.62	1,583.63
26	Nepal SBI Bank Ltd.	Nepal	Banking Services	256.75	3,940.41
27	State Bank of India (Botswana) Ltd.	Botswana	Banking Services	43.20	49.79

$ Comprises of Equity Capital and Reserve & Surplus

(d) The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:

Name of the Subsidiaries/ Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of Bank's holding in the total equity	Capital Deficiency
		NIL		

(e) The aggregate amount (e.g. current book value) of the Bank's total interests in Insurance entities, which are risk-weighted:

Name of the Insurance entities/Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of Bank's holding in the total equity	Quantitative impact on regulatory capital of using risk weighting method Vs using the full deduction method
		NIL		

(f) Any restrictions or impediments on transfer of funds or regulatory capital within the banking group: NIL

DF-2: CAPITAL ADEQUACY

Qualitative Disclosures

(a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities	■ The Bank and its Banking Subsidiaries undertake the Internal Capital Adequacy Assessment Process (ICAAP) on an annual basis in line with the New Capital Adequacy Framework (NCAF) Guidelines of RBI. The ICAAP details the capital planning process and carries out an assessment covering measurement, monitoring, internal controls, reporting, capital requirement and stress testing of the following Risks: ➢ Credit Risk ➢ Operational Risk ➢ Liquidity Risk ➢ Compliance Risk ➢ Pension Fund Obligation Risk ➢ Reputation Risk ➢ Residual Risk from Credit Risk Mitigants ➢ Settlement Risk ➢ Market Risk ➢ Credit Concentration Risk ➢ Interest Rate Risk in the Banking Book ➢ Country Risk ➢ New Businesses Risk ➢ Strategic Risk ➢ Model Risk ➢ Contagion Risk ➢ Securitization 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 of 9% 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 and Perpetual Debt Instruments, 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 Tier I /Tier II Capital to support the increased level of assets and at the same time maintaining the Capital Adequacy Ratio (CAR).

Quantitative Disclosures

(b) Capital requirements for credit risk:	
■ Portfolios subject to standardized approach	₹ 1,16,269.59 crores
■ Securitization exposures	Nil
	Total ₹ 1,16,269.59 crores
(c) Capital requirements for market risk:	
■ Standardized duration approach;	
➢ Interest Rate Risk	₹ 4,910.73 crores
➢ Foreign Exchange Risk(including gold)	₹ 165.17 crores
➢ Equity Risk	₹ 2,105.94 crores
	Total ₹ 7,181.84 crores
(d) Capital requirements for operational risk:	
■ Basic Indicator Approach	₹ 10,876.73 crores
■ The Standardized Approach (if applicable)	
	Total ₹ 10,876.73 crores

(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 31.03.2014

	CET 1 (%)	**Tier 1 (%)**	**Total (%)**
SBI Group	9.21	9.50	12.23
State Bank of India	9.59	9.72	12.44
State Bank of Bikaner & Jaipur	8.77	9.04	11.55
State Bank of Hyderabad	8.91	9.32	12.00
State Bank of Mysore	8.44	8.65	11.08
State Bank of Patiala	7.54	7.88	10.38
State Bank of Travancore	8.12	8.46	10.79
SBI (Mauritius) Ltd.	19.98	19.98	20.52
State Bank of India (Canada)	24.91	24.91	28.98
State Bank of India (California)	21.23	21.23	24.72
Commercial Indo Bank Llc. , Moscow	48.25	48.25	48.25
PT Bank SBI Indonesia	24.04	24.04	24.72
Nepal SBI Bank Ltd.	10.31	10.31	13.17
SBI (Botswana) Ltd.*	N.A.	N.A.	N.A.

* Entity does not have any Risk Weighted Assets as on 31.03.2014

DF-3: CREDIT RISK: GENERAL DISCLOSURES FOR ALL BANKS

Qualitative Disclosures

(a) The general qualitative disclosure requirement with respect to credit risk

Definitions of past due and impaired assets (for accounting purposes)

The Domestic Banking entities in the Group follow the extant RBI instructions for definitions of these categories for accounting purposes, as given below:

Non-performing assets

An asset becomes non-performing when it ceases to generate income for the bank. A Non-Performing Asset (NPA) is an advance where:

i. Interest and/or installment of principal remain 'overdue' for a period of more than 90 days in respect of a Term Loan;

ii. The account remains 'out of order' for a period of more than 90 days, in respect of an Overdraft/Cash Credit (OD/CC);

iii. The bill remains 'overdue' for a period of more than 90 days in the case of bills purchased and discounted;

iv. Any amount to be received remains 'overdue' for a period of more than 90 days in respect of other accounts;

v. A loan granted for short duration crops is treated as NPA, if the installment of principal or interest thereon remains 'overdue' for two crop seasons and a loan granted for long duration crops is treated as NPA, if installment of principal or interest thereon remains 'overdue' for one crop season; and

vi. An account would be classified as NPA only if the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter.

'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.

[Other Group entities – Overseas Banking entities and the Non-banking entities - use the definitions as applicable to their lines of businesses and as defined by their respective regulators.]

Credit Risk Management

All Banking entities in the Group are exposed to Credit Risk through their loans and investment activities. Among the Non-banking entities, Credit Risk is a major risk for factoring and credit cards business. Group Banking entities have Credit Risk Management, Credit Risk Mitigation and Collateral Management Policies in place, which are an exposition of their approach to the management of Credit Risk and seek to establish a comprehensive risk management framework that allows Credit Risks to be tracked, managed and overseen in a timely and efficient manner. The policies are reviewed annually or more frequently as deemed necessary. Over the years, the policy and 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, wherever applicable.

The processes of Credit Risk Management encompass identification, assessment, monitoring and control of the credit exposures. In the process of identification and assessment of Credit Risk, the following functions are undertaken:

i. Internal Credit Risk Assessment Models/ Scoring Models are used across the entities, wherever applicable, to assess the counterparty risk and to support the analytical elements of the credit risk management framework, particularly the quantitative risk assessment part of the credit approval process. The rating process reflects the risk involved in the facility / borrower and is an evaluation of the borrower's intrinsic strength and is reviewed periodically.

ii. SBI conducts industry research regularly 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 and shares the findings amongst the Banking entities in the Group.

iii. Non-Banking entities use their own Internal Credit Scoring Models, Internal Ratings, Demographic Analysis, etc., as applicable, for identification and assessment of Credit Risk.

The measurement of Credit Risk in the Domestic Banking entities involves computation of Credit Risk Components viz. Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

For better risk management and avoidance of concentration of Credit Risk, regulatory / internal guidelines on prudential exposure norms in respect of individual borrowers, borrower groups, banks, non-corporate entities, sensitive sectors such as capital market, real estate, etc., are in place in the Group entities. Ongoing monitoring of these exposures is conducted for measurement of Credit Risk of the Group entities individually and for consolidated Group, as specified in the Group Risk Management Policy. Credit Risk Stress Tests are conducted by the entities to identify vulnerable areas for initiating corrective action, where necessary.

Each of the Banking entities in the Group have a Loan Policy in place which documents the entities' approach to sanctioning, managing and monitoring of loans and advances. The Policy establishes a commonality of approach regarding credit basics, appraisal skills, documentation standards and awareness of institutional concerns and strategies to ensure that there is continued improvement of the overall quality of assets at the portfolio level. Specific norms for Appraising, Sanctioning, Documentation, Inspections and Monitoring, Renewals, Maintenance, Rehabilitation and Management of Assets have been stipulated, with sufficient leg room for innovation, deviations and flexibility under proper authority.

The internal controls and processes in place in the Group for the management of Credit Risk are:

a) Risk Governance structures for Credit Risk Management.

b) Delegation of financial powers for advances and allied matters with a graded authority structure.

c) Pre-sanction and post-sanction processes are examined as part of Credit Audit conducted in Domestic Banking entities for exposures above threshold limits. Credit Audit also examines identified risks and suggests risk mitigation measures.

d) Close review and monitoring of Stressed Assets to prevent deterioration in quality.

e) The Policies, Procedures and Risk Limits are circulated amongst all operating functionaries and the audit functionaries to keep them updated on an ongoing basis.

f) Various training initiatives are also undertaken for updation of knowledge on Credit Risk Management policies and practices for all functionaries.

Quantitative Disclosures

General Disclosures:		Amount - ₹ in Crs		
Quantitative Disclosures		**Fund Based**	**Non Fund Based**	**Total**
b	Total Gross Credit Risk Exposures	16,23,067.34	4,60,757.49	20,83,824.83
c	Geographic Distribution of Exposures : FB / NFB			
	Overseas	2,23,567.09	37,279.75	2,60,846.84
	Domestic	13,99,500.25	4,23,477.74	18,22,977.99
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)			80,737.02
	i. Substandard			28,289.86
	ii. Doubtful 1			21,362.68
	iii. Doubtful 2			22,664.04
	iv. Doubtful 3			3,659.51
	v. Loss			4,760.93
g	Net NPAs			42,204.80
h	NPA Ratios			
	i) Gross NPAs to gross advances			4.97%
	ii) Net NPAs to net advances			2.67%
i	Movement of NPAs (Gross)			
	i) Opening balance			63,872.56
	ii) Additions			59,499.87
	iii) Reductions			42,635.41

General Disclosures:		Amount - ₹ in Crs		
Quantitative Disclosures		Fund Based	Non Fund Based	Total
	iv) Closing balance			80,737.02
j	Movement of provisions for NPAs			
	i) Opening balance			35,137.72
	ii) Provisions made during the period			22,724.41
	iii) Write-off			19,201.42
	iv) Write-back of excess provisions			128.49
	v) Closing balance			38,532.22
k	Amount of Non-Performing Investments			1,127.12
l	Amount of Provisions held for Non-Performing Investments			1,083.42
m	Movement of Provisions for Depreciation on Investments			
	i) Opening balance			1,255.91
	ii) Provisions made during the period			1,728.89
	iii) Less: Foreign Exchange Revaluation Adj.			113.89
	iv) Write-off			150.05
	v) Write-back of excess provisions			773.95
	vi) Closing balance			1,946.91

Table- A: DF-3 (d) Industry Type Distribution of Exposures as on 31.03.2014

Amount - ₹ in Crs.

CODE	INDUSTRY	FUND BASED [Outstanding-O/s)]			NON-FUND BASED(O/s)
		Standard	NPA	Total	
1	Coal	3,250.71	214.20	3,464.91	1,939.60
2	Mining	7,725.31	301.29	8,026.60	1,449.86
3	Iron & Steel	100,755.78	6,443.51	107,199.29	27,910.99
4	Metal Products	29,310.58	4,040.33	33,350.92	3,234.86
5	All Engineering	36,029.03	3,199.37	39,228.40	50,603.10
51	Of which Electronics	11,121.90	1,386.30	12,508.20	5,904.96
6	Electricity	27,247.35	2,146.04	29,393.39	19,547.26
7	Cotton Textiles	41,193.36	3,014.21	44,207.57	3,367.13
8	Jute Textiles	397.56	128.93	526.49	107.90
9	Other Textiles	9,795.68	1,429.56	11,225.25	1,764.26
10	Sugar	10,960.37	393.69	11,354.06	651.22
11	Tea	653.27	33.53	686.80	72.16
12	Food Processing	43,226.43	3,073.50	46,299.93	1,259.62
13	Vegetable Oils & Vanaspati	7,047.27	2,184.90	9,232.18	8,211.55
14	Tobacco / Tobacco Products	2,670.12	14.19	2,684.30	222.86
15	Paper / Paper Products	6,037.56	1,703.60	7,741.16	988.30
16	Rubber / Rubber Products	6,910.88	455.71	7,366.59	1,625.76
17	Chemicals / Dyes / Paints etc.	59,189.19	4,537.67	63,726.86	13,075.78

Amount - ₹ in Crs.

CODE	INDUSTRY	FUND BASED [Outstanding-O/s)]			NON-FUND BASED(O/s)
		Standard	NPA	Total	
171	Of which Fertilizers	16,038.04	27.48	16,065.51	4,395.40
172	Of which Petrochemicals	19,328.99	661.27	19,990.26	3,029.60
173	Of which Drugs & Pharmaceuticals	11,306.51	3,250.41	14,556.92	2,397.65
18	Cement	11,260.90	869.30	12,130.20	2,037.77
19	Leather & Leather Products	3,700.60	123.39	3,823.99	359.18
20	Gems & Jewellery	51,845.22	3,080.77	54,925.99	1,526.24
21	Construction	10,869.47	836.09	11,705.56	2,539.33
22	Petroleum	51,875.01	58.58	51,933.58	55,954.94
23	Automobiles & Trucks	16,637.29	274.25	16,911.54	1,590.34
24	Computer Software	1,022.51	270.63	1,293.14	119.79
25	Infrastructure	185,959.85	5,070.42	191,030.27	46,303.39
251	Of which Power	91,489.61	864.77	92,354.38	9,150.92
252	Of which Telecommunication	34,928.35	290.97	35,219.32	8,963.56
253	Of which Roads & Ports	38,210.05	1,974.10	40,184.15	12,232.59
26	Other Industries	63,094.41	8,349.98	71,444.39	48,272.07
27	NBFCs & Trading	101,673.06	4,137.58	105,810.64	15,613.60
28	Res. Adv to bal. Gross Advances	651,990.50	24,351.78	676,342.28	150,408.63
	Total	**15,42,330.32**	**80,737.02**	**16,23,067.34**	**4,60,757.49**

Table- B: DF-3 (e) SBI (CONSOLIDATED) Residual contractual maturity breakdown of assets as on 31.03.2014*

[₹ in Crs.]

		1-14 days	15-28 days	29 days & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	TOTAL
1	Cash	14,698.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**14,698.87**
2	Balances with RBI	30,677.47	1,035.55	3,080.18	3,666.67	9,594.90	17,333.68	7,944.99	25,913.02	**99,246.46**
3	Balances with other Banks	38,186.38	297.79	6,859.07	2,437.31	4,304.74	448.67	0.00	164.15	**52,698.11**
4	Investments	5,553.51	10,,540.09	19,517.11	9,225.96	24,534.01	74,785.67	1,05,177.67	2,81,466.01	**5,30,800.03**
5	Advances	1,66,014.97	12,688.72	67,889.32	60,207.96	1,06,884.18	7,32,427.78	1,61,998.29	2,73,315.41	**15,81,426.63**
6	Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.14	0.00	10,729.76	**10,729.90**
7	Other Assets	10,550.38	3,339.26	4,168.07	2,413.33	14,951.86	3,836.75	2,468.82	17,118.69	**58,847.16**
	TOTAL	**2,65,681.58**	**27,901.41**	**1,01,513.75**	**77,951.23**	**1,60,269.69**	**8,28,832.69**	**2,77,589.77**	**6,08,707.04**	**23,48,447.16**

*Insurance entities, Non-financial entities, Special Purpose Vehicles & Intra-group Adjustments are excluded

DF-4: CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

Qualitative Disclosures

(a) For portfolios under the standardized approach:

- Names of Credit Rating Agencies used, plus reasons for any changes

  As per RBI Guidelines, the Bank has identified CARE, CRISIL, ICRA, India Rating, SMERA and Brickwork (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

  Long-term Issue Specific Ratings (For own exposures or other issuance of debt by the same borrower-constituent/counter-party) or Issuer (borrower-constituents/counter-party) Ratings are applied to other unrated exposures of the same borrower-constituent/counter-party in the following cases :

  - If the Issue Specific Rating or Issuer Rating maps to Risk Weight equal to or higher than the unrated exposures, any other unrated exposure on the same counter-party is assigned the same Risk Weight, if the exposure ranks pari-passu or junior to the rated exposure in all respects.

  - In cases where the borrower-constituent/counter-party has issued a debt (which is not a borrowing from the entity/entities), the rating given to that debt is applied to the Bank's unrated exposures, if the exposure ranks pari-passu or senior to the specific rated debt in all respects and the maturity of unrated exposure is not later than the maturity of the rated debt.

Quantitative Disclosures as on 31.03.2014

(₹ in crores)

		Amount
(b) For exposure amounts after risk mitigation subject to the Standardized Approach, amount of group's outstanding (rated and unrated) in each risk bucket as well as those that are deducted.	Below 100% Risk Weight	13,04,830.46
	100% Risk Weight	4,91,604.47
	More than 100% Risk Weight	2,83,230.46
	Deducted	4,159.44
	Total	20,83,824.83

DF-5 : CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

Qualitative Disclosures

(a) The general qualitative disclosure requirement with respect to credit risk mitigation including

- 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 Domestic Banking Entities have legally enforceable netting arrangements, involving specific lien with proof of documentation. They calculate capital requirements on the basis of net credit exposures subject to the following conditions:

  Where Domestic Banking Entities

  a. have a well-founded legal basis for concluding that the netting or offsetting agreement is enforceable in each relevant jurisdiction regardless of whether the counterparty is insolvent or bankrupt;

  b. are able at any time to determine the loans/advances and deposits with the same counterparty that are subject to the netting agreement; and

  c. monitor and control 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 parent bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. The policy deals with Credit Risk Mitigation and Collateral Management, addressing the Bank's approach towards the credit risk mitigants used for capital calculation.

The objective of this Policy is to enable classification and valuation of credit risk mitigants in a manner that allows regulatory capital adjustment to reflect them.

The Policy adopts the Comprehensive Approach, which allows full offset of collateral (after appropriate haircuts), wherever applicable against exposures, by effectively reducing the exposure amount by the value ascribed to the collateral. The following issues are addressed in the Policy:

(i) Classification of credit risk-mitigants
(ii) Acceptable credit risk-mitigants
(iii) Documentation and legal process requirements for credit risk-mitigants
(iv) Valuation of collateral
(v) Margin and Haircut requirements
(vi) External ratings
(vii) Custody of collateral
(viii) Insurance
(ix) Monitoring of credit risk mitigants
(x) General guidelines.

- Description of the main types of collateral

The following collaterals are usually recognised as Credit Risk Mitigants under the Standardised Approach:

- Cash or Cash equivalent (Bank Deposits/NSCs/KVP/LIC Policy, etc.)
- Gold
- Securities issued by Central / State Governments
- Debt Securities rated BBB- or better/ PR3/P3/F3/A3 for Short-Term Debt Instruments

- Main types of Guarantor Counterparty and their creditworthiness

The Group 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.

Qualitative Disclosures

(Amount - ₹ 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.**	1,48,744.93
(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)**	8,614.00

DF-6: SECURITISATION EXPOSURES: DISCLOSURE FOR STANDARDISED APPROACH

Qualitative Disclosures

(a)	**The general qualitative disclosure requirement with respect to securitisation including a discussion of:**	
	The bank's objectives in relation to securitisation activity, including the extent to which these activities transfer credit risk of the underlying securitised exposures away from the bank to other entities.	Nil
	The nature of other risks (e.g. liquidity risk) inherent in securitised assets;	Not Applicable
	The various roles played by the bank in the securitisation process (For example: originator, investor, servicer, provider of credit enhancement, liquidity provider, swap provider[@], protection provider[#]) and an indication of the extent of the bank's involvement in each of them; [@] A bank may have provided support to a securitisation structure in the form of an interest rate swap or currency swap to mitigate the interest rate/currency risk of the underlying assets, if permitted as per regulatory rules. [#] A bank may provide credit protection to a securitisation transaction through guarantees, credit derivatives or any other similar product, if permitted as per regulatory rules.	Not Applicable
	A description of the processes in place to monitor changes in the credit and market risk of securitisation exposures (for example, how the behaviour of the underlying assets impacts securitisation exposures as defined in para 5.16.1 of the Master Circular on NCAF dated July 1, 2012).	Not Applicable
	A description of the bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitisation exposures;	Not Applicable
(b)	**Summary of the bank's accounting policies for securitization activities, including:**	
	Whether the transactions are treated as sales or financings;	Not Applicable
	Methods and key assumptions (including inputs) applied in valuing positions retained or purchased	Not Applicable
	Changes in methods and key assumptions from the previous period and impact of the changes;	Not Applicable
	Policies for recognising liabilities on the balance sheet for arrangements that could require the bank to provide financial support for securitised assets.	Not Applicable
(c)	**In the banking book, the names of ECAIs used for securitisations and the types of securitisation exposure for which each agency is used.**	Not Applicable
	Quantitative Disclosures: Banking Book	
(d)	**The total amount of exposures securitised by the bank.**	Nil
(e)	**For exposures securitised losses recognised by the bank during the current period broken by the exposure type (e.g. Credit cards, housing loans, auto loans etc. detailed by underlying security)**	Nil
(f)	**Amount of assets intended to be securitised within a year**	Nil
(g)	**Of (f), amount of assets originated within a year before securitisation.**	Not Applicable
(h)	**The total amount of exposures securitised (by exposure type) and unrecognised gain or losses on sale by exposure type.**	Nil
(i)	**Aggregate amount of:**	
	On-balance sheet securitisation exposures retained or purchased broken down by exposure type and	Nil
	Off-balance sheet securitisation exposures broken down by exposure type	Nil

(j)	Aggregate amount of securitisation exposures retained or purchased and the associated capital charges, broken down between exposures and further broken down into different risk weight bands for each regulatory capital approach	Nil
	Exposures that have been deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type).	Nil
	Quantitative Disclosures: Trading Book	
(k)	Aggregate amount of exposures securitised by the bank for which the bank has retained some exposures and which is subject to the market risk approach, by exposure type.	Nil
(l)	Aggregate amount of:	
	On-balance sheet securitisation exposures retained or purchased broken down by exposure type; and	Nil
	Off-balance sheet securitisation exposures broken down by exposure type.	Nil
(m)	Aggregate amount of securitisation exposures retained or purchased separately for:	Nil
	Securitisation exposures retained or purchased subject to Comprehensive Risk Measure for specific risk; and	Nil
	Securitisation exposures subject to the securitisation framework for specific risk broken down into different risk weight bands.	Nil
(n)	**Aggregate amount of:**	
	The capital requirements for the securitisation exposures, subject to the securitisation framework broken down into different risk weight bands.	Nil
	Securitization exposures that are deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital(by exposure type).	Nil

DF- 7: MARKET RISK IN TRADING BOOK

Qualitative Disclosures

(a) The general qualitative disclosure requirement for market risk including the portfolios covered by the standardized approach

1) The following portfolios are covered by the Standardised Duration Approach for computing capital requirement for Market Risk:

- Bonds & Equity holdings under the Held for Trading (HFT) and Available for Sale (AFS) categories.
- Forex under HFT category and Mutual Fund under AFS category.
- Derivatives entered for hedging and trading.

2) Market Risk Management Department (MRMD)/Mid-Office have been put in place based on the approval accorded by the respective Boards of Banks and other subsidiaries for Risk Management.

3) Market Risk Department 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) Investment Policy

(c) Policy for Trading in Interest Rate Securities and Equity

(d) Policy for Derivatives

(e) Forex Trading Policy

(f) Value- at- Risk Policy

(g) Stress Test Policy

(h) Model Validation Policy

(i) Valuation Policy

5) Risk monitoring is an ongoing process and risk positions are analysed and reported to Top Management, Market Risk Management Committee and Risk Management Committee of the Board.

6) Risk management and reporting is based on parameters such as Modified Duration, PV01, Option Greeks, Maximum permissible exposures, Value at Risk Limits, Concentration Risk Limits, Cut Loss

Trigger, Management Action Triggers, etc in line with global best practices.

7) Forex Open position limits (Daylight/Overnight), Stop Loss Limits, Aggregate Gap Limit (AGL), Profit/Loss in respect of Cross Currency trading are monitored and exception reporting is regularly carried out.

8) Stress Testing is carried out at regular intervals as a complement to Value at Risk. Back-Testing of VaR number is carried out on daily basis. Results are reported to Top Management and Risk committees.

9) Respective Foreign offices are responsible for risk monitoring of their investment portfolio as per the local regulatory requirements and RBI stipulations. Stop Loss limit for individual investments and exposure limits for certain portfolios have been prescribed.

10) SBI and other Domestic Banking Entities are in the process of migrating to Internal Models Approach (IMA) for calculating capital charge for market risk. While SBI has submitted Letter of Intent (LoI) to RBI during the FY 2012-13; Associate Banks have submitted LoI to RBI during FY 2013-14.

Quantitative disclosures:

(b) Minimum Regulatory Capital requirements for market risk as on 31.03.2014 is as under:

[₹ in Crs.]

Particulars	Amount
Interest Rate Risk (Including derivatives)	4,910.73
Equity position risk	2,105.94
Foreign exchange risk	165.17
Total	7,181.84

DF–8: OPERATIONAL RISK

Qualitative Disclosures

A. The structure and organization of Operational Risk Management function

- The Operational Risk Management Department is functioning in SBI as well as Associate Banks as part of the Integrated Risk Governance Structure under the control of respective Chief Risk Officer.
- The operational risk related issues in other Group entities are being dealt with as per the requirements of the business model and their regulators under the overall control of Chief Risk Officers of respective entities.

B. Policies for control and mitigation of Operational Risk

Domestic Banking Entities (SBI and ABs)

The following policies, Framework Documents and Manuals are in place in SBI and Associate Banks:

Policies and Framework Documents

- Operational Risk Management policy, seeking to establish explicit and consistent Operational Risk Management Framework for systematic and proactive identification, assessment, measurement, monitoring, mitigation and reporting of the Operational Risks
- Policy on Business Continuity Planning (BCP)
- Policy on Know Your Customer (KYC) Standards and Anti Money Laundering (AML) Measures
- Loss Data Management Policy
- Policy on Fraud Risk Management
- Outsourcing Policy
- Operational Risk Appetite Framework (SBI)
- Capital Computation Framework

Manuals

- Operational Risk Management Manual
- Loss Data Manual
- Business Continuity Planning (BCP) Manual

Domestic Non-Banking and Overseas Banking entities

Policies and Manuals, as relevant to the business model of Non-Banking entities and as per the requirements of the overseas regulators in respect of Foreign Banking subsidiaries are in place. A few of the policies in place are – Disaster Recovery Plan/ Business Continuity Plan, Incident Reporting Mechanism, Outsourcing Policy, etc.

C. Strategies and Processes

Domestic Banking entities (SBI & ABs)

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. Guidelines and instructions are also propagated through Job Cards, e-Circulars, Training Programs, etc.

- 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.
- The process of building a comprehensive database of losses due to Operational Risks has been initiated, to facilitate better risk management.
- An excel based template for collecting loss data, including Near Misses, from Branches has been developed to facilitate better risk management.
- 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 Staff Learning Centers.
- Insurance cover is obtained for most of the potential operational risks excluding frauds.
- 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.
- Excel based template for conducting Risk & Control Self Assessment (RCSA) exercise through workshops have been introduced with the provision of inherent Risk and Residual Risk, control element to arrive at and assess the effectiveness of the current control environment and heat maps to describe the Risk Levels. Top risks identified in the RCSA exercises along with their mitigation plan are being addressed.
- In SBI, in order to successfully embed the operational risk management system, Risk Management Committees at the Circle (RMCC) and also at the Business and Support Groups (RMC at NBG, IBG, GMU, CBG, MCG & IT) are in place in addition to ORMC and RMCB.
- In order to ensure business continuity, resumption and recovery of critical business process after a disaster, the Bank (SBI) and ABs have robust Business Continuity Management in place.
- Development of internal systems for quantifying and monitoring operational risk as required under Basel II defined Advanced Measurement Approach (AMA) is underway at SBI and ABs. The Bank (SBI) and ABs have already applied for migration to AMA to RBI.

Domestic Non-Banking and Overseas Banking entities

Adequate measures by way of systems and procedures and reporting has been put in place.

D. The scope and nature of Risk Reporting and Measurement Systems

- A system of prompt submission of reports on Frauds is in place in all the Group entities.
- A comprehensive system of Preventive Vigilance has been established in all the Group entities.
- Significant risks thrown up in RCSA exercise and loss data are reported to Top Management at regular intervals.
- 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, 2014.

DF-9: INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

1. Qualitative Disclosures

Interest Rate Risk: Interest rate risk refers to impact on Bank's Net Interest Income and the value of its assets and liabilities arising from fluctuations in interest rate due to internal and external factors. Internal factors include the composition of the Bank's assets and liabilities, quality, maturity, existing rates and re-pricing period of deposits, borrowings, loans and investments. External factors cover general economic conditions. Rising or falling interest rates impact the Bank depending on whether the Balance Sheet is asset sensitive or liability sensitive.

The Asset-Liability Management Committee (ALCO) is responsible for evolving appropriate systems and procedures for ongoing identification and analysis of Balance Sheet risks and laying down parameters for efficient management of these risks through Asset Liability Management Policy of the Bank. ALCO, therefore, periodically monitors and controls the risks and returns, funding and deployment, setting Bank's lending and deposit rates, and directing the investment activities of the Bank. ALCO also develops the market risk strategy by clearly articulating the acceptable levels of exposure to specific risk types (i.e. interest rate, liquidity etc). The Risk Management Committee of the Board of Directors (RMCB) oversees the implementation of the system for ALM and reviews its functioning periodically and provides direction.

It reviews various decisions taken by Asset - Liability Management Committee (ALCO) for managing interest risk.

1.1 RBI has stipulated monitoring of interest rate risk through a Statement of Interest Rate Sensitivity (Repricing Gaps) to be prepared on a monthly basis. Accordingly, ALCO reviews Interest Rate Sensitivity statement on monthly basis and monitors the Earning at Risk (EaR) which measures the change in Net Interest Income of the Bank due to parallel change in interest rate on both the assets & liabilities.

1.2 RBI has also stipulated to estimate the impact of change in interest rates on economic value of bank's assets and liabilities through Interest rate sensitivity under Duration gap analysis (IRSD). Bank also carries out Duration Gap analysis as stipulated by RBI on monthly basis. The impact of interest rate changes on the Market Value of Equity is monitored through Duration Gap analysis by 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 1% parallel shift in interest rates for both assets and liabilities is estimated.

1.3 The following prudential limits have been fixed for monitoring of various interest risks:

Changes on account of Interest rate volatility	Maximum Impact (as % of Capital and Reserve)
Changes in Net Interest Income (with 1% change in interest rates for both assets and liabilities)	5%
Change in Market value of Equity (with 1% change in interest rates for assets and liabilities)	20%

1.4 The prudential limit aims to restrict the overall adverse impact on account of interest rate risk to the extent of 20% of capital and reserves, while part of the remaining capital and reserves serves as cushion for other risks.

2. Quantitative Disclosures

A Earnings at Risk (EaR)

[₹ in Crs.]

Particulars	Impact on NII
Impact of 100 bps parallel shift in interest rate on both assets and liabilities on Net Interest Income (NII)	5,905.43

B Market Value of Equity (MVE)

[₹ in Crs.]

Particulars	Impact on MVE
Impact on 100 bps parallel shift in interest rate on both assets and liabilities on Market Value of Equity (MVE)	4,216.55

DF-10: GENERAL DISCLOSURE FOR EXPOSURE RELATED TO COUNTERPARTY CREDIT RISK

Qualitative Disclosures

(a) Counterparty Credit Risk is the risk that the counterparty to a transaction can default before the final settlement of the transaction's cash flow. Derivative transactions are undertaken only with those counterparties where approved counterparty limits are in place. Counterparty limit 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.

Bank has not entered into any collateral agreement (Credit Support Annex or equivalent) with any of the bank which require maintenance of collateral. Bank does not recognize bilateral netting.

Quantitative Disclosures

(b) Gross positive fair value of contracts, netting benefits, netted current credit exposure, collateral held, (including type e.g. cash, government securities etc), and net derivatives credit exposure. Also report measures for exposures at default or exposure amount, under CEM. The notional value of the credit derivatives hedges, and the distributions of current credit exposures by types of credit exposure.

[₹ in Crs.]

Particulars	Notional	Current Credit Exposure
a) Interest rate Swaps	1,53,739.54	4,187.98
b) Cross Currency Swaps	22,112.93	3,339.69
c) Currency Options	2,659.57	417.99
d) Foreign Exchange Contracts	5,65,678.48	31,585.21
e) Forward Rate Agreements	0.00	0.89
f) Credit Default Swaps-Sell protection	18,723.93	408.23
Total	**7,62,914.45**	**39,939.99**

(c) Credit derivatives transactions that create exposures to CCR (notional value), segregated between use for the institutions own credit portfolio, as well as in its intermediation activities, including the distribution of the credit derivatives products used, broken down further by protection bought and sold within each product group.

None

DF-11: COMPOSITION OF CAPITAL

Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)			Amounts Subject to Pre-Basel III Treatment	Ref No. (with respect to DF - 12: Step 2)
	Common Equity Tier 1 capital (CET1): instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	42191.26		A1 + B3
2	Retained earnings	93840.08		B1 + B2 + B6* + B7
3	Accumulated other comprehensive income (and other reserves)			
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)			
	Public sector capital injections grandfathered until January 1, 2018			
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	3069.61		
6	Common Equity Tier 1 capital before regulatory adjustments	139100.95		
	Common Equity Tier 1 capital before regulatory adjustments			
7	Prudential valuation adjustments			
8	Goodwill (net of related tax liability)	379.34	569.01	D * 40%
9	Intangibles other than mortgage-servicing rights (net of related tax liability)			
10	Deferred tax assets	166.08	249.11	C * 40%
11	Cash-flow hedge reserve			
12	Shortfall of the stock of provisions to expected losses			
13	Securitisation gain on sale			
14	Gains and losses due to changes in own credit risk on fair valued liabilities			
15	Defined-benefit pension fund net assets	470.12		
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	3.19		
17	Reciprocal cross-holdings in common equity	63.66		
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)	7.50		
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	6.01	406.11	
20	Mortgage servicing rights (amount above 10% threshold)			
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)			
22	Amount exceeding the 15% threshold			

23	of which: significant investments in the common stock of financial entities			
24	of which: mortgage servicing rights			
25	of which: deferred tax assets arising from temporary differences			
26	National specific regulatory adjustments (26a+26b+26c+26d)	414.40		
26a	of which: Investments in the equity capital of unconsolidated insurance subsidiaries	414.40	621.60	
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries			
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank			
26d	of which: Unamortised pension funds expenditures			
	Regulatory Adjustments applied to Common Equity Tier 1 in respect of Amounts subject to Pre-Basel III treatment	80.85	63.38	
	of which: [INSERT TYPE OF ADJUSTMENT] For example: filtering out of unrealised losses on AFS debt securities (not relevant in Indian context)			
	of which: [INSERT TYPE OF ADJUSTMENT]			
	of which: [INSERT TYPE OF ADJUSTMENT]			
27	Regulatory Adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions			
28	**Total regulatory adjustments to Common equity Tier 1**	1591.15		
29	**Common Equity Tier 1 capital (CET1)**	137509.80		
	Additional Tier 1 capital (AT1) : instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	0.00		
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)			
32	of which: classified as liabilities under applicable accounting standards (Perpetual Debt Instruments)			
33	Directly issued capital instruments subject to phase out from Additional Tier 1	4042.11		
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)	1526.35		
35	of which: instruments issued by subsidiaries subject to phase out	1236.00		
36	**Additional Tier 1 capital before regulatory adjustments**	5568.46		
	Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments			
38	Reciprocal cross-holdings in Additional Tier 1 instruments	119.05		

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)			
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)			
41	National specific regulatory adjustments (41a+41b)			
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries			
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank			
	Regulatory adjustments applied to Additional Tier 1 in respect of amounts subject to Pre-Basel III treatment	1191.60	824.61	
	of which: [INSERT TYPE OF ADJUSTMENT e.g. DTAs]			
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 1 at 50%]			
	of which: [INSERT TYPE OF ADJUSTMENT]			
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions			
43	**Total regulatory adjustments to Additional Tier 1 capital**	1310.65		
44	**Additional Tier 1 capital (AT1)**	4257.81		
44a	**Additional Tier 1 capital (AT1) reckoned for capital adequacy**	4257.81		
45	**Tier 1 capital (T1 = CET1 + AT1) [29 + 44a]**	141767.61		
	Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	2000.00		
47	Directly issued capital instruments subject to phase out from Tier 2	25282.88		
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)	6263.78		
49	of which: instruments issued by subsidiaries subject to phase out			
50	Provisions	7578.09		
51	**Tier 2 capital before regulatory adjustments**	41124.75		
	Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments			
53	Reciprocal cross-holdings in Tier 2 instruments	20.28		

54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)			
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)			
56	National specific regulatory adjustments (56a+56b)			
56a	of which: Investments in the Tier 2 capital of unconsolidated insurance subsidiaries			
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank			
	Regulatory adjustments applied to Tier 2 capital in respect of amounts subject to Pre-Basel III treatment	311.49	726.82	
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%]			
	of which: [INSERT TYPE OF ADJUSTMENT]			
57	**Total regulatory adjustments to Tier 2 capital**	331.77		
58	**Tier 2 capital (T2)**	40792.98		
58a	**Tier 2 capital reckoned for capital adequacy**	40792.98		
58b	**Excess additional Tier 1 capital reckoned as Tier 2 capital**	0		
58c	**Total Tier 2 capital admissible for capital adequacy (58a+58b)**	40792.98		
59	**Total capital (TC = T1 + T2) [45 + 58c]**	182560.59		
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment			
	of which: [INSERT TYPE OF ADJUSTMENT]			
	of which: ...			
60	**Total risk weighted assets (60a + 60b + 60c)**	1492535.19		
60a	of which: total credit risk weighted assets	1291884.35		
60b	of which: total market risk weighted assets	79798.26		
60c	of which: total operational risk weighted assets	120852.58		
	Capital Ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	9.21%		
62	Tier 1 (as a percentage of risk weighted assets)	9.50%		
63	Total capital (as a percentage of risk weighted assets)	12.23%		
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	0.00%		
65	of which: capital conservation buffer requirement	0%		

66	of which: bank specific countercyclical buffer requirement	0%		
67	of which: G-SIB buffer requirement	0%		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)			
	National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.00%		
70	National Tier 1 minimum ratio (if different from Basel III minimum)	6.50%		
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			
74	Mortgage servicing rights (net of related tax liability)			
75	Deferred tax assets arising from temporary differences (net of related tax liability)			
	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)	7578.09		
77	Cap on inclusion of provisions in Tier 2 under standardised approach	16148.55		
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 of Tier 2 under internal ratings-based approach	0		
	Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)			
80	Current cap on CET1 instrumnets subject to phase out arrangements			
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)			
82	Current cap on AT1 instrumnets subject to phase out arrangements			
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)			
84	Current cap on T2 instrumnets subject to phase out arrangements			
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)			

* B6: Revenue & Other Reserves is taken net of Integration & Development Fund (₹ 5 Crores)

DF-12: COMPOSITION OF CAPITAL-RECONCILIATION REQUIREMENTS

STEP-1

(₹ in crores)

		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	746.57	746.57
	Reserves & Surplus	146,623.96	143,088.46
	Minority Interest	4,909.15	3,905.71
	Total Capital	**152,279.68**	**147,740.74**
ii	**Deposits**	**1,838,852.36**	**1,839,679.17**
	of which: Deposits from banks	42,546.26	42,546.26
	of which: Customer deposits	1,796,306.10	1,797,132.91
	of which: Other deposits (pl. specify)	-	-
iii	**Borrowings**	**223,759.71**	**223,884.68**
	of which: From RBI	17,292.63	17,292.63
	of which: From banks	81,306.60	81,306.60
	of which: From other institutions & agencies	70,514.18	70,503.28
	of which: Others (pl. specify)	-	-
	of which: Capital Instruments	54,646.30	54,782.17
iv	**Other liabilities & provisions**	181,089.86	122,357.12
	Total	**2,395,981.61**	**2,333,661.71**
B	**Assets**		
i	**Cash and balances with Reserve Bank of India**	**114,095.60**	**113,945.33**
	Balance with banks and money at call and short notice	**53,065.74**	**50,676.57**
ii	**Investments**	**578,793.09**	**521,346.21**
	of which: Government securities	441,979.82	425,637.67
	of which: Other approved securities	3,762.26	2.35
	of which: Shares	26,331.49	3,696.37
	of which: Debentures & Bonds	59,698.70	48,894.11
	of which: Subsidiaries / Joint Ventures / Associates	2,046.13	1,644.72
	of which: Others (Commercial Papers, Mutual Funds etc.)	44,974.69	41,470.99
iii	**Loans and advances**	**1,578,276.69**	**1,578,276.05**
	of which: Loans and advances to banks	50,066.34	50,066.34
	of which: Loans and advances to customers	1,528,210.35	1,528,209.71
iv	**Fixed assets**	**10,559.78**	**10,160.42**
v	**Other assets**	**60,242.36**	**58,308.78**
	of which: Goodwill and intangible assets	470.12	470.12
	of which: Deferred tax assets	425.59	415.19
vi	**Goodwill on consolidation**	948.35	948.35
vii	**Debit balance in Profit & Loss account**	-	-
	Total Assets	**2,395,981.61**	**2,333,661.71**

STEP-2

(₹ in crores)

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference number
		As on reporting date	As on reporting date	
A	**Capital & Liabilities**			
i	Paid-up Capital	746.57	746.57	A
	of which: Amount eligible for CET 1	746.57	746.57	A1
	of which: Amount eligible for AT1	-	-	A2
	Reserves & Surplus	146,623.96	143,088.46	B
	of which: Statutory Reserve	52,885.09	52,885.09	B1
	of which: Capital Reserves	2,500.49	2,498.93	B2
	of which: Share Premium	41,444.69	41,444.69	B3
	of which: Investment Reserve	1,040.52	1,040.52	B4
	of which: Foreign Currency Translation Reserve	6,759.70	6,758.16	B5
	of which: Revenue and Other Reserve	39,961.10	37,903.73	B6
	of which: Balance in Profit & Loss Account	2,032.37	557.34	B7
	Minority Interest	4,909.15	3,905.71	
	Total Capital	**152,279.68**	**147,740.74**	
ii	**Deposits**	**1,838,852.36**	**1,839,679.17**	
	of which: Deposits from banks	42,546.26	42,546.26	
	of which: Customer deposits	1,796,306.10	1,797,132.91	
	of which: Other deposits (pl. specify)	-	-	
iii	**Borrowings**	**223,759.71**	**223,884.68**	
	of which: From RBI	17,292.63	17,292.63	
	of which: From banks	81,306.60	81,306.60	
	of which: From other institutions & agencies	70,514.18	70,503.28	
	of which: Others (pl. specify)	-	-	
	of which: Capital Instruments	54,646.30	54,782.17	
iv	**Other liabilities & provisions**	**181,089.86**	**122,357.12**	
	of which: DTLs related to goodwill	-	-	
	of which: DTLs related to intangible assets	78.94	78.94	
	Total	**2,395,981.61**	**2,333,661.71**	
B	**Assets**			
i	**Cash and balances with Reserve Bank of India**	**114,095.60**	**113,945.33**	
	Balance with banks and money at call and short notice	**53,065.74**	**50,676.57**	
ii	**Investments**	**578,793.09**	**521,346.21**	
	of which: Government securities	441,979.82	425,637.67	
	of which: Other approved securities	3,762.26	2.35	
	of which: Shares	26,331.49	3,696.37	
	of which: Debentures & Bonds	59,698.70	48,894.11	
	of which: Subsidiaries / Joint Ventures / Associates	2,046.13	1,644.72	
	of which: Others (Commercial Papers, Mutual Funds etc.)	44,974.69	41,470.99	
iii	**Loans and advances**	**1,578,276.69**	**1,578,276.05**	
	of which: Loans and advances to banks	50,066.34	50,066.34	
	of which: Loans and advances to customers	1,528,210.35	1,528,209.71	
iv	**Fixed assets**	**10,559.78**	**10,160.42**	
v	**Other assets**	**60,242.36**	**58,308.78**	
	of which: Goodwill	-	-	
	of which: Other intangibles (excluding MSRs)	470.12	470.12	
	of which: Deferred tax assets	425.59	415.19	C
vi	**Goodwill on consolidation**	**948.35**	**948.35**	D
vii	**Debit balance in Profit & Loss account**	**-**	**-**	
	Total Assets	**2,395,981.61**	**2,333,661.71**	

STEP-3

	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	42191.26	A1 + B3
2	Retained earnings	93840.08	B1 + B2 + B6* + B7
3	Accumulated other comprehensive income (and other reserves)	0	
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)	3069.61	
6	Common Equity Tier 1 capital before regulatory adjustments	139100.95	
7	Prudential valuation adjustments	0	
8	Goodwill (net of related tax liability)	379.34	D * 40%

* B6: Revenue & Other Reserves is taken net of Integration & Development Fund (₹ 5 crores)

TABLE DF- GR: ADDITIONAL DISCLOSURES ON GROUP RISK

Qualitative Disclosure	
In respect of Group entities * [Overseas Banking entities, Domestic Banking 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 – DOMESTIC	BANKING - OVERSEAS	NON - BANKING
State Bank of India	State Bank of India (California)	SBI Capital Markets Ltd.
State Bank of Bikaner & Jaipur	State Bank of India (Canada)	SBI Cards & Payment Services Pvt. Ltd.
State Bank of Hyderabad	SBI (Mauritius) Ltd.	SBI DFHI Ltd.
State Bank of Mysore	Commercial Indo Bank LLC, Moscow	SBI Funds Management Pvt. Ltd.
State Bank of Patiala	Nepal SBI Bank Ltd.	SBI General Insurance Company Ltd.
State Bank of Travancore	PT Bank SBI Indonesia	SBI Global Factors Ltd.
	State Bank of India (Bostwana) Ltd.	SBI Life Insurance Co. Ltd.
		SBI Pension Funds Pvt. Ltd.
		SBI-SG Global Securities Services Pvt. Ltd.
		SBI Payment Services Pvt. Ltd.

Disclosures pertaining to key Features of regulatory capital instruments (DF-13) and the full terms and conditions of regulatory capital instruments (DF-14) have been disclosed separately on the Bank's website-www.sbi.co.in/www.statebankofindia.com under the link Corporate Governance - 'Basel - 3 Disclosures' section.

Disclosure on indicators for identification of Global Systemically Important Banks (G-SIBs) as on end March 2014

S. No.	Indicator	Sub- indicator	INR (billions)
1.	Cross-jurisdictional activity	Cross-jurisdictional claims	2608.47
		Cross-jurisdictional liabilities	3587.60
2.	Size	Total exposure as defined for use in Basel III Leverage Ratio	29885.25
3.	Interconnectedness	Intra-financial system assets	652.15
		Intra-financial system liabilities	510.03
		Securities outstanding	984.73
4.	Substitutability/financial institution infrastructure	Assets Under custody	1171.25
		Payments made in INR using RTGS and NEFT systems	57083.31
		Underwritten transactions in debt and equity markets	4.25
5.	Complexity	Notional amount of OTC Derivatives	7181.35
		Level 3 assets	51.62
		Trading and available-for-sale securities	192.82

STATE BANK OF INDIA

Proxy Form

Folio No.: ....

DP/Client-ID No. ....

I/We ....

resident of .... being (a) shareholder(s) of the State Bank of India holding

(No.) .... shares on the Register of shareholders at the Corporate Centre

of the Bank do here by appoint ....

resident of .... (or failing him/her .... resident of

....) as my/our proxy to vote for me/us and on my/our behalf at a

meeting of the shareholders of the State Bank of India to be held at ....

on the .... day of .... and

at any adjournment thereof.

Dated this .... day of ....

15 paise
Revenue
Stamp

No instrument of proxy shall be valid unless in the case of an individual shareholder, it is signed by him or by his attorney duly authorised in writing, or in the case of joint holders, it is signed by the shareholders first named in the Register or his attorney duly authorized in writing, or in the case of a Company, it is executed under its common seal, if any, or signed by its attorney duly authorized in writing.

Provided that an instrument of proxy shall be sufficiently signed by any shareholder, who is, for any reason, unable to write his name, if his mark is affixed thereto and attested by a Judge, Magistrate, Justice of the Peace, Registrar or Sub-Registrar of Assurances, or other Government Gazetted Officer or an Officer of the State Bank of India.

A proxy, unless appointed by a Company, should be a Director of the Central Board/Member of the Local Board/Shareholder of the State Bank of India, other than an officer or employee of the State Bank of India.

No Proxy shall be valid unless it is duly stamped and unless it, together with the power of attorney or other authority (If any)under which it is signed, or a copy of that power of attorney or authority certified by a Notary Public or a Magistrate, is deposited with the Corporate Centre or other office designated from time to time by the Chairman or Managing Director in this behalf, not less than 7 clear days before the date fixed for the meeting.(In case a power of attorney is already registered with the Bank, the Folio No. and Registration No. of the power of attorney be also mentioned).

State Bank of India, Shares & Bonds Dept., Corporate Centre, State Bank Bhavan, Madam Cama Road, Nariman Point, Mumbai - 400 021 is authorised to accept the proxy form, power of attorney or other authority.

STATE BANK OF INDIA

ANNUAL GENERAL MEETING OF SHAREHOLDERS

ATTENDANCE SLIP

Date:

Folio No:

DP/Client-ID No.:

Full Name of the Shareholder:..

(as appearing on share certificate/recorded with DP)

Registered address: ....

.... PIN

Total number of Shares held:

Share Certificate Nos.,

(in case of physical holding) From To

Whether having voting rights in terms of Regulation 31* Yes / No

If yes number of votes to which he/she is entitled, in case of Poll by ballot.

In person as a shareholder							
As a proxy							
As a duly authorised representative							
TOTAL							

Signature Attested (Signature of Shareholder)

Name:

Designation:

Seal/Stamp:

Note:

i) The Branch Managers/Managers of Divisions of the branches of the State Bank of India (whose signatures are circulated) are authorized to attest the signature of the shareholders, on production of suitable evidence of his/her shareholding to the branch where the shareholders may be maintaining account.

ii) If the shareholder maintains account with a Bank other than State Bank of India, the signature may be attested by the Branch Manager of that Bank, affixing the branch seal/stamp to evidence the attestation.

iii) Alternatively, the shareholder may have his/her signature attested by a Notary or a first class Magistrate.

iv) The signature of shareholders can also be got attested at the venue of the Meeting by the designated officers of the State Bank of India, on production of satisfactory evidence of his/her identification such as Passport/ Driving Licence with photograph, Voters Identity Card or such other similar acceptable evidence.

AWARDS AND ACCOLADES

PRAYAS was awarded as the best in – house magazine in 'B' region. Seen in the picture is Hon. President of India, Shri Pranab Mukherjee handing over the award to Mr. B. V. Chaubal, then DMD & CDO.

Honours and Awards for Corporate Social Responsibility

The Bank has been recognised by IBA as 'Best Technology Bank of the Year 2013'.

Golden Peacock Award for HR excellence

SOCIAL COMMITMENTS

Ambulance donation at Bengaluru

Donation of PET scanner to TATA Medical Centre, Kolkata

Donation to Ramkrishna Mission at Kolkata

Supporting differently abled Children at Mumbai

An MoU was signed with Enable India (NGO) for imparting skill development programme for physically challenged persons in the state of Karnataka through our RSETIs

Donation of school bus to Manasa Special School for Mentally Challenged, Kothapet, Hyderabad

Donation of Computers to a school in Kerala at the hands of Chairman.

SBI's Specialized Micro Finance Branch (SMFB) at Dharavi, the biggest slum settlement in Asia, focuses on empowerment of women.

THE NEW LOOK - RURAL TO METRO

Jaithal Village Branch,
Ujjain, Madhya Pradesh

Nepean Sea Road,
Mumbai, Maharashtra

Chairman lighting the lamp to inaugurate All Women Employee Branch at Chandigarh

View of the Annual General Meeting of Shareholders on 21st June, 2013

Printed at Repro

जीवन में खुशियां लाए...
Spreading Happiness...

www.sbi.co.in

एसबीआई कप सिंगापुर में अच्छी क्रिकेट का पर्याय बन चुका है।
SBI Cup has become synonymous with good cricketing in Singapore.

प्रख्यात लेडी गोडीवा का विशाल पुतला एक वर्ष पहले ओलंपिक खेलों के लिए लंदन से कावेंटरी (यू.के.) में लाया गया था। इस अवसर पर हमारी स्थानीय शाखा द्वारा प्रायोजित समारोह का एक चित्र।

The return of the gigantic mannequin of Lady Godiva, a historical figure, to Coventry (U.K.) from London, where it was carried for Olympics one year back, was celebrated with great fanfare and sponsored by our local branch.

बैंक द्वारा चेन्नई में प्रायोजित पिंकेथॉन के सहभागी।
Participants of PINKATHON at Chennai, sponsored by the Bank.

चेयरमेन्स क्लब के नवीनतम पुरस्कार विजेता। यह एसबीआई के श्रेष्ठ उपलब्धियां अर्जित करने वालों का एक अद्वितीय क्लब है।

Latest Awardees of the Chairman's Club, an exclusive club of high performers of SBI

भारतीय स्टेट बैंक
State Bank of India
हर भारतीय का बैंक
THE BANKER TO EVERY INDIAN

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